

Centering Health Equity in Medicaid Section 1115 Demonstrations

Manatt Health
February 15, 2022, 12:00 – 1:00 PM ET

STATE
Health & Value
STRATEGIES

A grantee of the Robert Wood Johnson Foundation

About State Health and Value Strategies

State Health and Value Strategies (SHVS) assists states in their efforts to transform health and healthcare by providing targeted technical assistance to state officials and agencies. The program is a grantee of the Robert Wood Johnson Foundation, led by staff at Princeton University's School of Public and International Affairs. The program connects states with experts and peers to undertake healthcare transformation initiatives. By engaging state officials, the program provides lessons learned, highlights successful strategies, and brings together states with experts in the field. Learn more at www.shvs.org.

Questions? Email Heather Howard at heatherh@Princeton.edu.

*Support for this affinity group was provided by the Robert Wood Johnson Foundation.
The views expressed here do not necessarily reflect the views of the Foundation.*

Housekeeping Details

All participant lines are muted. If at any time you would like to submit a question, please use the Q&A box at the bottom right of your screen.

After the webinar, the slides and a recording will be available at **www.shvs.org**.

About Manatt Health

Manatt Health, a division of Manatt, Phelps & Phillips, LLP, is an integrated legal and consulting practice with over 160 professionals in nine locations across the country. Manatt Health supports states, providers, and insurers with understanding and navigating the complex and rapidly evolving healthcare policy and regulatory landscape. Manatt Health brings deep subject matter expertise to its clients, helping them expand coverage, increase access, and create new ways of organizing, paying for, and delivering care. For more information, visit www.manatt.com/ManattHealth.aspx



Agenda

Medicaid's Role in Advancing Health Equity

(10 minutes)

**Health Equity Roadmap: Section 1115
Demonstrations**

- Planning and Design
- Implementation and Monitoring
- Evaluation

(25 minutes)

**Strategies to Center Health Equity through Section
1115 Demonstrations**

(15 minutes)

Discussion

(10 minutes)



Medicaid's Role in Advancing Health Equity

Creating a Whole-of-Government Equity Agenda

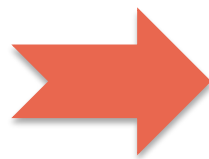
The Biden administration has called for an ambitious “whole-of-government equity agenda that matches the scale of the opportunities and challenges we face.” Over the last year, HHS and its agencies have sought to establish a proactive agenda that advances health equity.

Department of Health and Human Services (HHS)

Embedded health equity in its [Five Year Strategic Plan](#), including in its goals of:

“Protecting and strengthening equitable access to high quality and affordable healthcare”

“Strengthening social well-being, equity, and economic resilience”



Centers for Medicare & Medicaid Services (CMS)

CMS [Vision Statement](#):

“CMS serves the public as a trusted partner and steward, **dedicated to advancing health equity**, expanding coverage, and improving health outcomes.”

One of [Six Strategic Pillars](#):

“Advance health equity by addressing the health disparities that underlie our health system”

Defining Key Terms

Systemic or Structural Racism

Refers to the complex system, rooted in historical and current realities of **differential access to power and opportunity for different racial groups**. This system is embedded within and across laws, structures, and institutions in a society or organization

Includes **laws, inherited disadvantages** (e.g., the intergenerational impact of trauma), **advantages** (e.g., intergenerational transfers of wealth), and **standards and norms** rooted in racism

Health Equity

Means that **everyone has a fair and just opportunity to attain their optimal health** regardless of race, ethnicity, disability, gender identity, sexual orientation, socioeconomic status, geography, or any other social factor or potential barrier

Advancing health equity means **dismantling the systemic racism that underlies differences in the opportunity to be healthy**, including addressing social and economic barriers to positive health outcomes

Health Disparities

Are **avoidable differences** in health outcomes experienced by people with one characteristic (race, gender, sexual orientation) as compared to the socially dominant group (e.g., white, male, cis-gender, heterosexual)

Since we have never had an equitable healthcare system, **measuring disparities can help benchmark progress toward equity**

Role of Medicaid in Advancing Health Equity

Medicaid is a critical lever to advance health equity due to its size, scale, and demographics.

Medicaid Coverage Footprint

- Covers more than **80 million people**, including nearly one in two children¹
- **Largest single payer** in many states
- Accounts for almost **one fifth of national health expenditures**²
- Covers nearly **half of all births** in the U.S.³
- Pays for over **half of long-term care costs**⁴
- **Broad coverage of Black, Latino(a), and other people of color**, who comprise nearly two-thirds of all Medicaid enrollees⁵



Today's Goal: Examine Medicaid's role in promoting health equity broadly and explore innovative ways states can advance health equity and address structural racism through Section 1115 demonstrations

This webinar focuses on health inequities rooted in structural racism, but these concepts can apply to a range of inequities states might observe across other areas (e.g., gender/gender identity, geography)

Medicaid Authorities to Advance Health Equity

States have a range of Medicaid administrative and legal authorities to advance health equity. Section 1115 demonstrations are a powerful tool, in combination with other authorities.

Medicaid Administrative Authorities

- State regulation
- Managed care contracts

Medicaid Legal Authorities

- State plan authority
- Section 1915 waivers
- ★ Section 1115 demonstrations (*Today's Focus*)

Section 1115 Demonstrations and Equity

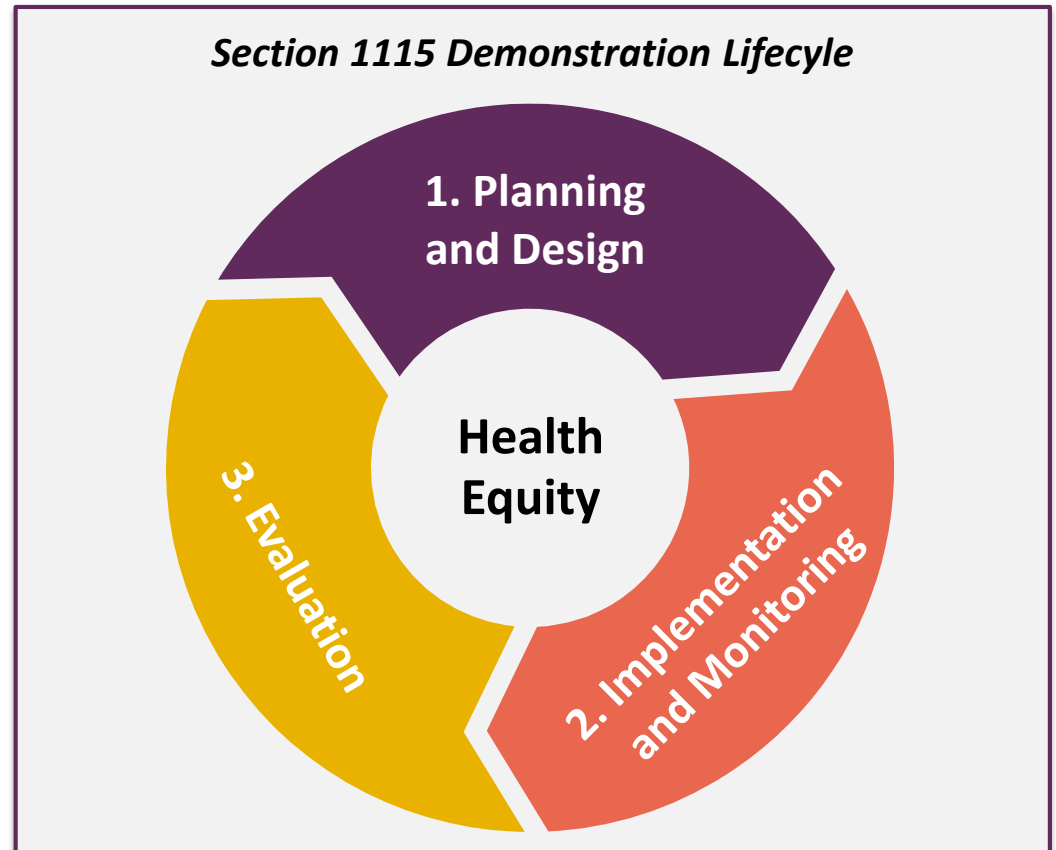
- Permits states to waive certain Medicaid statutory requirements through **demonstration projects that test innovative policies** in Medicaid
- Often used to advance strategies related to **eligibility, benefit design, affordability, and payment and delivery system reform**, among others
- States can center **health equity within all demonstrations and at each stage of the Section 1115 demonstration lifecycle:** planning and design, implementation and monitoring, and evaluation

Advancing Health Equity Throughout the Section 1115 Demonstration Lifecycle

States can center health equity at each stage of the demonstration lifecycle for all demonstrations, including those that may not identify specific policies to advance health equity.

State Approaches to Advance Health Equity in Demonstrations

- Entirely new, equity-focused Section 1115 demonstrations
- New equity components in Section 1115 demonstration renewals or amendments
- Monitoring and evaluating the impacts of existing Section 1115 waiver demonstrations on health equity, regardless of whether the demonstration explicitly centers on or incorporates equity





Health Equity Roadmap: Section 1115 Demonstrations

Roadmap to Center Health Equity through the Section 1115 Demonstration Lifecycle

1.0. Planning and Design



Strategy 1.1. Use Data-Driven Analysis to Identify Health Equity Priorities



Strategy 1.2. Identify Policies to Address Health Equity Priorities



Strategy 1.3. Identify Policies that Require 1115 Demonstration Authority



Engage Community Stakeholders in Planning and Design

2.0. Implementation and Monitoring



Strategy 2.1. Ensure that the Implementation Team Understands Health Equity Goals of the Demonstration



Strategy 2.2. Center Health Equity in Demonstration Implementation and Monitoring Protocols



Engage Community Stakeholders in Implementation and Monitoring

3.0. Evaluation



Strategy 3.1. Center Health Equity in Demonstration Evaluation Design



Strategy 3.2. Invest in Data Needed to Evaluate Health Equity in Medicaid



Engage Community Stakeholders in Evaluation

Engagement and Partnership with the Community

Sustained partnerships with the community at every stage of demonstration development and implementation are critical to advancing health equity.

Defining Community

- **Individuals enrolled in or eligible for the Medicaid program and their families and caregivers**, with an emphasis on those most impacted by inequities and the proposed Medicaid policies to address those inequities
- **Community-based providers, trusted advocates, community messengers** (e.g., consumers, local providers of health and social services, faith leaders, other community-based organizations, and community leaders)

Meaningful community engagement requires state Medicaid agencies to invest time and financial resources to **build durable and trusted relationships, transparency, and bidirectional communication channels**

Strategy 1.1 : Use Data-Driven Analysis to Identify Health Equity Priorities

Data-driven analysis helps states identify the magnitude and scale of health inequities across a Medicaid population—by race, ethnicity, gender, age, etc.—allowing the state to prioritize issues and shape actionable responses.

Key Strategies to Support Data Driven Analysis

- **Invest in and enhance data collection and sharing** to address gaps in race, ethnicity, and language (REL) data
- **Collect and analyze social drivers of health (SDOH) data** to understand social, economic, and environmental factors influencing health
- **Incorporate qualitative data from community members and community-based organizations** to understand quantitative data through a lens other than the status quo

Supporting REL Data Collection

- Build capacity to **collect self-reported REL data** (the gold standard)
- Require **standardized acquisition of REL data** through Medicaid, human service programs, and related contracting
- Support **new data sharing arrangements** across state agencies and with state or regional health information exchanges

Strategies 1.2 & 1.3: Identify Policies to Address Health Equity Priorities and Required Medicaid Authorities

Identify Policies to Address Health Equity Priorities

- **Get a clearer sense of the problem**, with a focus on understanding the perspectives of Medicaid enrollees experiencing racial and ethnic health inequities, to help identify the underlying causes of the observed inequities
- **Identify best practices** to respond to inequities from the literature or other Medicaid programs
- **Include individuals with lived experience on design teams**
- **Solicit and incorporate community stakeholder perspectives** in the design process
- **Collaborate with and eliminate silos across state agencies** to ensure alignment between Medicaid and other state agency policies (e.g., collaborate with Department of Housing when designing Medicaid policies to address homelessness)
- **Design with an eye to monitoring and evaluation**

Determine Medicaid Authority Through Which to Address Those Priorities

Explore potential Medicaid authorities and mechanisms to implement identified policy solutions (may need multiple authorities)



Determine if Section 1115 authority is required to advance the proposed approach

Engage Community Stakeholders in Planning and Design

Engaging a representative range of community members to review evidence of health inequities will help to inform and deepen state policymakers' understanding of the causes and impacts of these inequities, and to identify impactful and appropriate policy solutions.

Key Strategies to Engage Stakeholders in Design Process

- Facilitate **small community forums** organized in partnership with trusted community-based organizations
- Facilitate **focus groups** with consumers and providers
- Form **regional health equity community advisory groups** comprised of consumers, local providers, and health and social service community organizations

Related Best Practices

- Hold meetings and focus groups after work and school hours
- Hold in-person meetings at accessible and convenient community locations
- Provide technology for virtual participation
- Compensate community members for the time they devote to informing the state's health equity strategy

Strategy 2.1: Ensure that Demonstration Implementers Understand Health Equity Goals of the Demonstration

Key Strategies

- **Include the implementation team in demonstration design conversations**, including conversation with community, so that implementers:
 - Understand the emphasis on equity and the rationale for specific demonstration design features
 - Understand at a granular level the “problems we are trying to solve”
 - Can provide critical input regarding the feasibility of implementing key elements (e.g., collection of data elements or assigning necessary reimbursement codes), in addition to other guidance
- Structure implementation teams to **include individuals with lived experience** reflecting communities disproportionately impacted by health inequities to the extent possible

Strategy 2.2: Center Health Equity in Demonstration Implementation and Monitoring Protocols

Implementation Protocols

- Include **operational detail around key program features**, including implementation timeline and approach, communication, program integrity

Monitoring Protocols

- **Outline the key metrics** through which states will track demonstration progress toward implementation milestones and goals, including metrics to understand impact on health equity and disparities

Key Strategies

- **Analyze and report on monitoring metrics by REL demographics** to inform state and CMS understanding of whether the demonstration is:
 - Achieving the health equity goals the state seeks to advance;
 - Maintaining the status quo; or
 - Creating/exacerbating disparities in coverage, access, or quality

Engage Community Stakeholders in Implementation and Monitoring

Community members can:

- Inform **prerequisites for implementation**
- **Support program design decision-making**, such as eligibility criteria or services
- **Inform monitoring metrics**
- Provide a critical, **real-time feedback** on implementation (e.g., challenges, successes, and problems that those impacted by the demonstration may be encountering)

States can consider funding community-based organizations to track and report on demonstration implementation progress

Strategy 3.1: Center Health Equity in Demonstration Evaluation Design

Federal statute and regulation require states to develop approaches for evaluation of Section 1115 demonstrations to examine the impacts on members, providers, health plans, and states.

Key Strategies to Advance Equity

- Require state evaluation contractors to:
 - Propose an **evaluation methodology that incorporates health equity**
 - Have team member(s) who are **experts in health equity and health disparities**
 - Have an evaluation team that is **racially and ethnically diverse, and has members with lived experience with the Medicaid program**, if possible
- Develop specific evaluation measures that **measure progress against any equity specific demonstration hypotheses**
- Design evaluation approaches that **combine qualitative and quantitative data collection**
- **Incorporate contingencies for course correction** if a particular strategy is not having the intended impact or is harming a population
- **Broadly share evaluation findings** with state providers, managed care plans, members and other stakeholders, and national audiences

Strategy 3.2: Invest in Data to Evaluate Health Equity

Key Strategies to Address Evaluation Data Gaps

- Invest in **people and expertise** to build data analytics capacity
- Identify **new data collection mechanisms**
- **Standardize data collection** across state health and human service programs
- Seek opportunities to **leverage federal race and ethnicity data** sources
- **Invest in new health information and data exchange infrastructure** that allows for bi-directional communication
- Use data imputation strategies when patient reported data is not available (this strategy should be considered a last resort and interim approach)

Engage Community Stakeholders in Evaluation

Qualitative data and feedback from community stakeholders often provides the “how” or “why” behind quantitative reports

Example scenario:

- ✓ Section 1115 demonstration includes three strategies to address housing instability
- ✓ Evaluation report demonstrates reduced disparities as a result of the demonstration
- ✓ Qualitative stakeholder information sheds light on which strategy was most effective and why

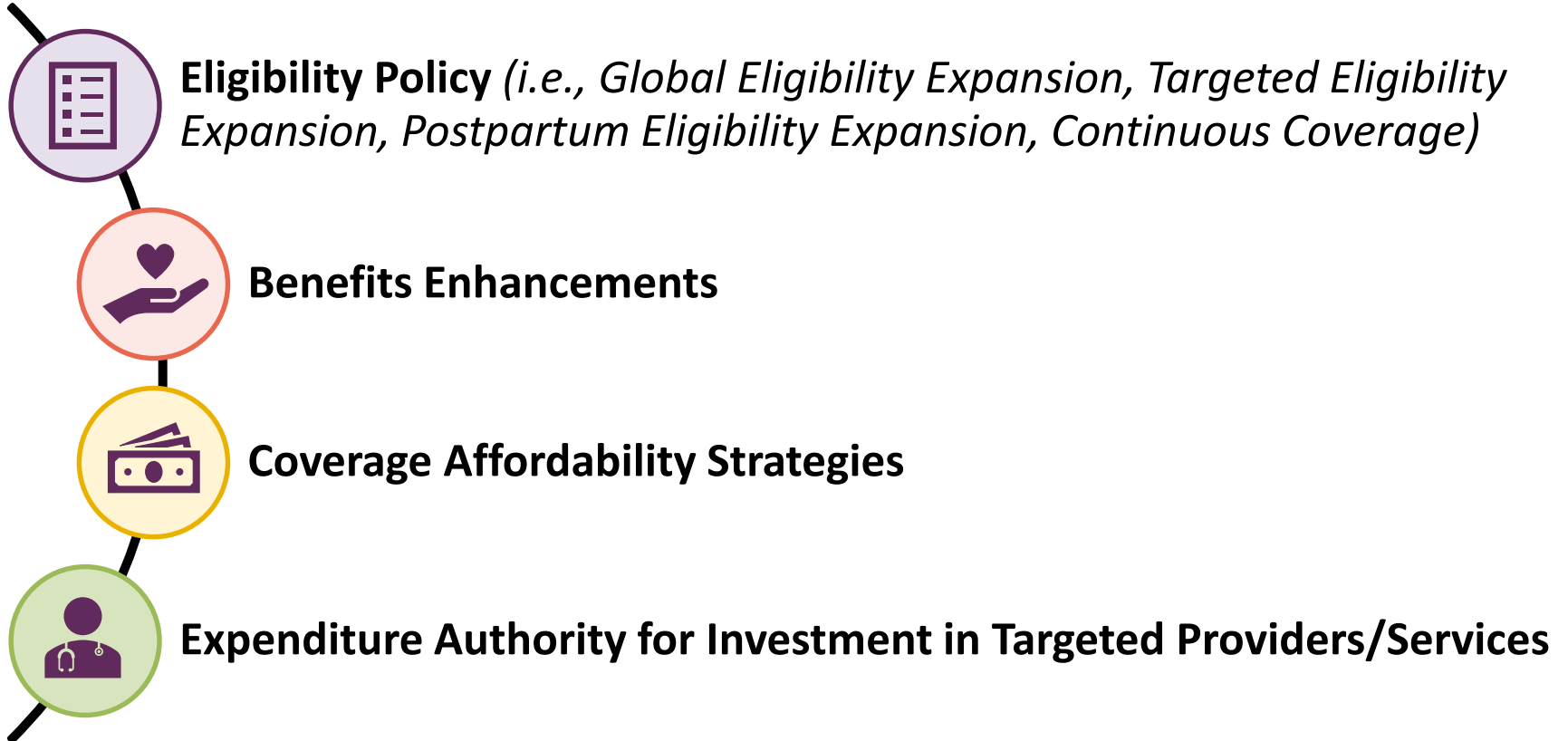
States could **engage and compensate community-based organizations** or require evaluation contractors to do so in order to anchor qualitative feedback in the community



Specific Strategies to Center Health Equity through Section 1115 Demonstrations

Section 1115 Demonstration Initiatives to Advance Health Equity

States are leveraging innovative Section 1115 demonstration initiatives to address underlying inequities in healthcare.



Eligibility Policy

Global Eligibility Expansion

- Broad Medicaid expansion [e.g., above 138% of the federal poverty level (FPL) in expansion states] can help narrow health disparities
- States can implement via a state plan amendment (SPA)¹
- **Section 1115 authority needed to both expand eligibility *and* tailor benefits and other program features**



To date, **no state** has proposed a broad eligibility expansion above 138% of the FPL

Targeted Eligibility Expansion

- **Population-specific eligibility expansions** could include, for example:
 - Individuals with behavioral health needs
 - Individuals who are in the pre-release period from jail or prison
 - Parents of children in the foster care system
- **Regional eligibility expansions** could be used to address health inequities in specific geographic areas



Following the Flint water crisis, **Michigan** expanded eligibility and services in the Flint area through an 1115 demonstration to address adverse health outcomes from the crisis, which disproportionately impacted people of color

Eligibility Policy

Postpartum Eligibility Expansion

- The American Rescue Plan Act (ARP) allows states to extend 12-months of continuous postpartum coverage via a SPA; waiver needed until April 2022
- **States can use 1115 authority to seek a longer postpartum period or to extend the postpartum period for populations not otherwise eligible under the SPA option**



Virginia received waiver approval to go beyond the SPA option by allowing individuals who apply at any time during their postpartum period to be eligible for the extended coverage

Continuous Coverage

- For **children**, at least 32 states have implemented 12 months of continuous coverage via a SPA; states need 1115 demo to go beyond the SPA option
- For **adults**, states can consider implementing continuous coverage through 1115 authority for all adults, or specific populations at high risk of health disparities, poor health outcomes, and churn



Washington and **Oregon** have legislation and a 1115 application, respectively, proposing continuous coverage for children up to age six



Oregon's 1115 application proposes two years of continuous coverage for nearly all Medicaid enrollees aged six or older

Benefit Enhancements

- Offer enhanced benefits that address the SDOH that otherwise cannot be covered by Medicaid, such as **housing supports, healthy food, supported employment, transportation, child care, and family care services**
- Expand the types of supports offered by funding broader types of providers, including those with strong ties to the community, such as **home-visiting supports, peer supports, doulas, community health workers, or school liaisons**



California received CMS approval to implement 14 “Community Supports” to address SDOH through cost-effective alternatives to medical care (e.g., housing navigation, asthma remediation). **Two Community Supports—recuperative care and short-term post-hospitalization housing—are authorized under Section 1115 authority** and the others under managed care regulatory authority as “in lieu of services”

Coverage Affordability Strategies

- **Offer wrap-around benefits** to people with lower incomes enrolled in Marketplace plans to better align Medicaid and Marketplace coverage (e.g., non-emergency medical transportation or dental)
- **Offer cost-sharing subsidies** to support Medicaid-eligible individuals with employer-sponsored insurance or individual coverage that is otherwise prohibitively expensive
- **Eliminate asset tests** used to determine eligibility for long-term services and supports (LTSS)



Massachusetts and **Vermont** use Section 1115 authority to provide Marketplace subsidies to individuals with incomes up to 300% of the FPL who are not Medicaid eligible



Arizona used Section 1115 authority to eliminate asset tests for most seniors and persons with disabilities

Invest in Targeted Providers/Services

- **Invest in new services or build capacity** (e.g., hospitals, behavioral health providers, Tribal healers, maternal health providers)
- **Link payment and delivery reform to reducing identified health inequities**, including through telehealth capacity building or establishing critical “anchor” services
- **Implement “DSRIP-like” investment programs** to deepen access in historically underserved communities and strengthen providers’ ability to serve the community



California received expenditure authority to support provider capacity, including infrastructure, interventions, and services to ensure access to the state’s Enhanced Care Management and Community Supports

Looking Ahead

As states take new efforts to center and advance health equity in Medicaid, including through 1115 demonstrations, the Biden administration will be a critical partner.

Potential Ways CMS Can Support Efforts to Advance Health Equity Through 1115 Authority

- Continue to **collaborate with states to explore new policy ideas and innovations** related to advancing health equity priorities, including through technical assistance and new guidance
- Accelerate CMS' vision and strategic focus by **issuing guidance on equity-related considerations and requirements for Section 1115 demonstrations** (e.g., include specific equity-related goals, implementation considerations, and monitoring metrics)
- Provide additional **guidance related to budget neutrality considerations for equity-focused demonstrations**, recognizing current Section 1115 budget neutrality policy likely limit states' options for addressing inequities stemming from historic underinvestment in certain communities
- **Collaborate with states on federal efforts to improve systems and processes for measuring disparities** in healthcare access, quality, experience and outcome

Discussion

The slides and a recording of the webinar will be available at www.shvs.org after the webinar

Thank You

Patricia Boozang

Senior Managing Director
Manatt Health
pboozang@manatt.com
212-790-4523

Linda Elam

Managing Director
Manatt Health
lclam@manatt.com
202-624-3343

Nina Punukollu

Senior Manager
Manatt Health
npunukollu@manatt.com
212-790-4598

Heather Howard

Director
State Health and Value Strategies
heatherh@Princeton.edu
609-258-9709

Dan Meuse

Deputy Director
State Health and Value Strategies
dmeuse@Princeton.edu
609-258-7389