

State Processes for Expanding Medicaid

When state governments decide they want their Medicaid programs to cover low-income people with HIV, the federal government requires that they submit a “waiver application” to the federal government, which is reviewed by the Center for Medicaid and Medicare Services (CMS). In the past, CMS (previously HCFA) has required states to make a number of modifications to their proposals, and the processes through which states work with the federal government to develop approved Medicaid expansions are generally lengthy and fairly complicated.

In general, states are required to include the following elements in their Medicaid waiver applications:

- **Proof of Cost-Neutrality:** This is generally the most difficult and time-consuming requirement of any Medicaid waiver application. Cost-neutrality means that the state Medicaid program *with the costs of the expansion at issue* will not cost the federal government any more money over five years than the federal government would be paying to the state Medicaid program *in the absence of the expansion*.
- **Community Input:** States must generally show that their plan to expand Medicaid was developed in conjunction with a process through which significant community input was gathered and utilized. This particular requirement was recently reaffirmed in a letter sent by the Secretary of the Department of Health and Human Services (Tommy Thompson) to the head of each state’s Medicaid program.
- **Proof of Positive or Complementary Impact on Existing Systems of Care:** In general, states have been required to show that their Medicaid expansion would work in the context of the existing healthcare system in a way that was not disruptive or destructive. Additionally, the federal government has scrutinized applications to ensure that the Medicaid expansion will complement, and not undermine or duplicate, the provision of services through other federally funded programs.
- **Proof of Workable Implementation Plan:** Waiver applications must present a thorough plan for rolling out and implementing any Medicaid expansion, and demonstrate the existence of community buy-in and commitment to making such a program actually work and accomplish its stated goals and objectives.

For more in-depth information on Medicaid Expansion Waivers, see the following:

Tim Westmoreland, Medicaid and HIV/AIDS Policy: A Basic Primer. downloadable at:
<http://www.kff.org/content/1999/2136/1891-KFF.pdf>

Leslie Laurence, “Medicaid’s Catch-22” downloadable at:
http://kaisernetwork.org/Daily_reports/rep_index.cfm?DR_ID=3349

National Health Law Program website, especially their “Medicaid” and “Waiver Watch” pages, at:
www.healthlaw.org

Centers for Medicaid and Medicare Services website, at: <http://cms.hhs.gov/medicaid/>