

U.S. House and Senate Notification

Wednesday, February 22, 2012

To: Congressional Health Staff

From: Jennifer Boulanger

Acting Director, Office of Legislation

Centers for Medicare & Medicaid Services

Re: CMS Releases Final Rules to Improve the Section 1115 Medicaid Demonstration Review Process and Allow States Additional Flexibility to Find Health Care Solutions that Work for Them

Today, the Centers for Medicare & Medicaid Services (CMS) released two final rules to improve the transparency of the section 1115 Medicaid Demonstration review and approval process (CMS-2325-F) and to implement section 1332 of the Affordable Care Act providing States with more flexibility to find the health care solutions that work best for them (CMS-9987-F).

The final rule implementing section 10201(i) of the Affordable Care Act will improve the transparency of the review and approval process of 1115 Medicaid demonstrations. These demonstrations allow States to undertake experimental, pilot, or demonstration projects within their States Medicaid programs. The final rule ensures transparency at each stage of the demonstration development and review process and provides for a clear process for the consideration of demonstrations while ensuring public input and supporting ongoing innovation. The final rule will be effective April 27, 2012.

The final rule implementing section 1332 of the Affordable Care Act provides more flexibility to States to find the health care solutions that work best for them. The Affordable Care Act gives states the option to receive a State Innovation Waiver so they may pursue their own innovative strategies to ensure their residents have access to high quality, affordable health insurance. Under the law, State Innovation Waivers are available in 2017, and today's final rules provide detail how States can work with HHS and Treasury to ensure their residents have the protections provided in the Affordable Care Act and access to innovative State approaches.

In addition, CMS is providing more resources to States to help them build their open health insurance marketplaces known as Exchanges. Today HHS announced the award of \$229 million in Affordable Insurance Exchange grants to 10 states to help them create Exchanges, giving these states more flexibility and resources to implement the Affordable Care Act. Today's awards bring to 33 the number of States that are making significant progress in creating Affordable Insurance Exchanges.

The Final Rules are on display in the Federal Register today, Wednesday, February 22, 2012 and can be viewed here

[http://www.ofr.gov/\(X\(1\)S\(vptsjs314z120avnlzsgtvpj\)\)/OFRUpload/OFRData/2012-04354_PI.pdf](http://www.ofr.gov/(X(1)S(vptsjs314z120avnlzsgtvpj))/OFRUpload/OFRData/2012-04354_PI.pdf) and here [http://www.ofr.gov/\(X\(1\)S\(04oh2m0j2iptxgb30tfl0wol\)\)/OFRUpload/OFRData/2012-04395_PI.pdf](http://www.ofr.gov/(X(1)S(04oh2m0j2iptxgb30tfl0wol))/OFRUpload/OFRData/2012-04395_PI.pdf). The Final Rules will publish in the Federal Register on February 27, 2012 at which time they can be viewed here – <http://www.gpoaccess.gov/fr/>.

More information on 1115 Medicaid demonstrations will be available at:

http://www.cms.gov/apps/media/fact_sheets.asp

More information on the State Innovation Waivers will be available at:

http://www.cms.gov/apps/media/fact_sheets.asp

More information on Exchange Grants can be found here:

<http://www.healthcare.gov/news/factsheets/2011/05/exchanges05232011a.html>

Please contact the CMS Office of Legislation at 202-690-8220 if you have any questions about this announcement. Thank you.