



July 31, 2015

The Honorable Representative Joseph R. Pitts
Chairman
Subcommittee on Health
Committee on Energy and Commerce
2125 Rayburn House Office Building
Washington, D.C. 20515-6115

Dear Chairman Pitts,

Thank you for the opportunity to testify before the Subcommittee on Health on June 24, 2015 at the hearing entitled "Examining the Administration's Approval of the Medicaid Demonstration Projects." Below are responses to the additional questions to be submitted for the record.

- 1. Ms. Alker, can you talk about other ways the waiver has helped states move towards policies already being implemented at the federal level?**

The early-expansion waiver in California was a key step in success of full ACA expansion in 2014. And it has been largely successful, getting many of the newly-covered population covered and allowing the state to now target its resources to enroll the harder-to-insure Americans. Our uninsured rate has dropped 50%-that is a huge accomplishment. Waivers are not just for getting ahead of larger program changes, they also spur innovation. When demonstration projects under the waivers are successful, they are then used as best practices for other states to follow. For instance, Iowa became the first state to offer supportive employment services to individuals with mental illness in 2007. I am proud that my home state of California followed Iowa's lead in our own waiver to ensure that individuals are empowered to be productive members of society.

Throughout the history of the Medicaid program Section 1115 waivers have been used as a way to experiment with new approaches. There have been many examples of state innovation through Section 1115 demonstration projects that formed the basis of Congressional action to effectuate statutory changes. Indeed, covering adults without dependent children or a disability was a path pursued by a number of states (such as Tennessee, Massachusetts, Oregon and others) through waiver authority prior to the enactment of the Affordable Care Act.

Another example is the Balanced Budget Act of 1997, which permitted states to move many groups of Medicaid beneficiaries into managed care without waiver authority after many states were doing this through waiver authority. I believe that it makes more sense for Congress to establish a state plan option for states on an approach for which there is policy consensus, rather than to enable fast track authority for waivers that may look similar. A state plan option is less burdensome for states and ensures that Congress is able to assess the appropriateness of using federal funds for new policy directions.

2. Ms. Alker, can you talk about how these demonstration projects are evaluated and then replicated in other states?

Section 1115 Research and Demonstration projects, in my view, should be subject to strict evaluation requirements before they are replicated. Unfortunately this has not always been the case. With the recent class of expansion waivers, CMS has put renewed energy and scrutiny to this category, which I believe is good. Often, however, evaluations commissioned by the state may not be truly independent and rigorous. For important policy developments – such as many of these expansion waivers such as Indiana, Iowa, and Arkansas -- I believe that every effort should be made to commission an external and independent evaluation at the federal level.

Thank you again for your time and consideration of these issues.

Sincerely,



Joan Alker
Executive Director
Georgetown University Center for Children and Families