



## **Section 1332 State Innovation Waiver Consumer Principles**

Beginning in 2017, Section 1332 of the Affordable Care Act (ACA) provides states with the authority, flexibility and financing to reshape their health insurance and health care delivery systems using State Innovation Waivers (also referred to as “1332 waivers”). While designs may vary from far-reaching reforms to more targeted changes, State Innovation Waivers offer consumer advocates a unique opportunity to impact future coverage systems by providing ongoing input during the waiver design and implementation process to ensure that consumer needs are met through accessible, high-quality, affordable and comprehensive health insurance.

Given that waiver discussions may be a part of broader state health care system conversations, the following principles will help advocates frame their priorities as they engage in discussions of future reforms. We have also provided some examples of how State Innovation Waivers could be used to promote each of these principles. These examples are not meant to be directive or prescriptive, but instead offer general policy guidance for consumer advocates. Please see our advocate’s guide to the basics of State Innovation Waivers for more information.

### **TRANSPARENCY**

A fully transparent State Innovation Waiver process – from development of the state proposal to federal review and full implementation – that allows for strong participation of consumer advocates will ensure that changes made to a state’s health care system serves consumers. Advocates should push state policymakers to provide a detailed mechanism for consumer and consumer advocate input beyond what is required by law for a public comment period. Because consumers have a right to fully understand the decisions states make related to their health care, the goals and policy proposals and underlying analyses of the State Innovation Waiver should be clearly explained to consumers in plain language and easily accessible online. A commitment to transparency during waiver implementation, monitoring and reporting will hold the state accountable to federal waiver requirements as well as the goals of an approved waiver.

### **AFFORDABILITY**

Health insurance coverage alone does not guarantee access to affordable, high-quality care. Rising premiums, high deductible plans and skyrocketing prescription drug prices continue to strain household budgets and often prevent consumers from accessing the care they need. State Innovation Waivers should be used to ensure qualified health plans (QHP) are affordable and offer coverage options that restrain high out-of-pocket expenses. For example, a state could use a State Innovation Waiver to extend eligibility for Cost Sharing Reductions (CSR) beyond 200 percent of the Federal Poverty Level (FPL) or fix the family glitch by allowing subsidies for families whose employer coverage is inadequate or unaffordable.

## HEALTH EQUITY

It is crucial that consumer advocates engage meaningfully with community partners representing underserved populations to support Marketplace reforms that accurately reflect the diversity of their state. Regardless of the size and scope of a waiver, advocates should ensure that the waiver is built upon provisions in the ACA that promote health equity and non-discrimination protections. This includes expanding access to coverage, prioritizing outreach and enrollment efforts in communities of color and other underserved populations, ensuring robust network adequacy standards and providing linguistically and culturally appropriate health services. Additionally, advocates should scrutinize any changes to Essential Health Benefits (EHBs) through a State Innovation Waiver to ensure it complies with federal non-discrimination laws. The waiver process could also offer an opportunity for states to strengthen protections for consumers regardless of their health status, race, sex, gender, sexual orientation, gender identity, disability, immigration status and/or age.

## COVERAGE

More people should have access to health coverage – a central promise of the ACA. State Innovation Waivers can improve levels of coverage to underinsured, vulnerable populations, such as undocumented immigrants, extend access to affordable insurance to people with incomes too high for Medicaid (i.e. through a [Basic Health Program](#)) or [mandate that all employers provide health insurance for their workers](#). These waivers can also address discontinuity of care from [churn](#) by aligning income or eligibility rules for Medicaid and the Marketplace, simplifying complex IT systems to help consumers seamlessly navigate the details of their benefits. However, advocates should make sure that greater efficiency and reductions in health care spending is not achieved by shifting costs to consumers and that consumers are not worse off in terms of coverage.

## QUALITY

The ACA provides multiple pathways for improving the quality of coverage so that no insured person is underinsured. While the State Innovation Waiver regulations do not explicitly offer guidance on how a waiver might impact quality, the waiver process can be a critical opportunity to ensure that more Americans are reaching their full health potential through high-quality, affordable coverage. Both the State Innovation Waiver design and broader health care reform discussions should address how the health care system can improve consumers' experience with their health coverage. Advocates can learn more about health care quality frameworks<sup>1</sup> to leverage this principle in waiver discussions.

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<sup>1</sup> **Quality metrics** include: [Healthcare Effectiveness Data and Information Set \(HEDIS\)](#), the [Consumer Assessment of Healthcare Providers and Systems \(CAHPS\) survey](#) and [Core 24](#) and any new measures developed via the Pediatric Quality Measures Program (PQMP). **Patient activation measures**: patient engagement, including patient activation and patient confidence, is an increasingly important strategy for achieving better health outcomes and care experiences.