

RESEARCH ARTICLE

HEALTH AFFAIRS > VOL. 14, NO. 1

Insuring the Poor Through Section 1115 Medicaid Waivers

John Holahan, Teresa Coughlin, Leighton Ku, Debra J. Lipson, and Shruti Rajan

PUBLISHED: **SPRING 1995** **No Access** <https://doi.org/10.1377/hlthaff.14.1.199>

[View Article](#)

Abstract

Prologue:

Medicaid, the federal/state program of health insurance for low-income people, accounted for 20 percent of states' spending in 1994, according to the Kaiser Family Foundation. The program's more than thirty million nonelderly enrollees are covered by a variety of plans. That number has grown recently because many states have expanded their Medicaid programs. These are designed to allow states to develop "innovative solutions to address public health problems," as long as these solutions do not add to the federal spending share. So far, eight states have gained approval from the Health Care Financing Administration to implement 1115 statewide demonstrations. As of this writing, five states have actually implemented their programs. These states are using various managed care models, ranging from primary care case management plans to staff-model health maintenance organizations (HMOs). In this paper John Holohan and his colleagues estimate the potential impact of these demonstrations on the number of poor persons who gain coverage and the impact on federal and state spending. Medicaid is currently under attack by budget-conscious lawmakers, who seek to gain as much as \$ 190 billion in savings from the program over the next five to seven years. Many believe that more widespread use of managed care in Medicaid will enable the program to hold down the rate of increase in its costs, thereby easing pressure on the federal budget. "Given the absence of federal action on health care reform," the authors write, "using Medicaid as a building block for reform is a positive development." Holohan is director of the Health Policy Center at The Urban Institute in Washington; Teresa Coughlin and Leighton Ku are senior research associates there, and Shruti Rajan is a research associate. Debra Lipson is associate director of the Alpha Center, also in Washington.

Privately Insured People With Perinatal Mood And Anxiety Disorders, 2008–2020"

Wednesday, April 24, 2024 | 3-4 pm EDT

[Register here!](#)

Online Forum Event - Open To All

Journal Club: "Antidepressant Prescriptions Increased For Privately Insured People With Perinatal Mood And Anxiety Disorders, 2008–2020"

Wednesday, April 24, 2024 | 3-4 pm EDT

Register here!

Abstract: With the demise of health care reform at the national level, much of the attention has shifted to state-level efforts. Recently, several states have begun looking to the Medicaid program as a way to solve their health care problems. A principal way in which states are implementing health care reform is through the Section 1115 research and demonstration Medicaid waiver program. The 1115 waiver authority provides states considerable flexibility to restructure their Medicaid programs to offer health care to new populations and thus has great potential for covering large segments of the uninsured population. While it shows great promise, however, there are many obstacles states must overcome both in implementing and in maintaining an 1115 program.

TOPICS

[MEDICAID](#) | [MANAGED CARE](#) | [PREMIUMS](#) | [UNINSURED](#) | [PAYMENT](#) | [COSTS AND SPENDING](#) | [DISPROPORTIONATE-SHARE HOSPITALS](#) | [MEDICAID ELIGIBILITY](#) | [ACCESS TO CARE](#) | [HEALTH CARE PROVIDERS](#)

Loading Comments...

HealthAffairs

1220 19th Street, NW, Suite 800

Washington, DC 20036

T 202 408 6801

F 301 654 2845

customerservice@healthaffairs.org

TOPICS

Access & Use
Costs & Spending
COVID-19
Health Equity
Health Reform
Leading To Health
More Topics

CONTENT

Journal
Forefront
Scholar
Briefs
Events
Podcasts
Collected Works

INFORMATION FOR

Authors
Request For Abstracts

Reviewers
Subscribers
Advertisers
Media News Room
Funders
Event Attendees

SERVICES & RESOURCES

Submit Content
Subscribe
Renew
Membership
Manage My Account
Purchase Content
Permissions
Alerts
Newsletter Sign Up
Advertising Kit

HEALTH AFFAIRS

About
Impact Report
Terms & Conditions
Privacy Policy
Jobs At Health Affairs
Fellowships
Contact Us



[Terms and conditions](#) | [Privacy](#) | [Project HOPE](#)

Health Affairs is pleased to offer [Free Access for low-income countries](#). Health Affairs gratefully acknowledges the support of many [funders](#).

Health Affairs is an official journal of [AcademyHealth](#).



SIXTY-FIVE YEARS OF
HEALING PEOPLE AND
TRANSFORMING LIVES

Project HOPE is a global health and humanitarian relief organization that places power in the hands of local health care workers to save lives across the globe. Project HOPE has published Health Affairs since 1981.

Copyright 1995 - 2024 by [Project HOPE: The People-to-People Health Foundation, Inc.](#), eISSN 1544-5208.