



Medicaid State Plan Amendment/ Section 1115 Waivers & Tobacco Cessation Coverage: *Tools to Impact Health Coverage* Frequently Asked Questions

Note: references to tobacco refer to commercial tobacco and not the sacred and traditional tobacco that may be used for ceremonial or medicinal purposes by some Tribal communities.

The American Lung Association's [factsheet](#) provides an overview of the Medicaid program's funding structure and methods for states to alter health coverage in their Medicaid programs. It is a great introduction to two important tools: the State Plan Amendment (SPA) and the 1115 Waiver.

The purpose of this Frequently Asked Questions document is to dive deeper into the what, when, who, how and why State Plan Amendments and Section 1115 Waivers are used and the resources available to help you when you are ready to look at tobacco cessation coverage in Medicaid.

Q: First off, why would you try to improve tobacco cessation coverage in Medicaid?

A: The short answer is [smoking cessation treatment saves lives and money](#). This is especially important when we consider that the Medicaid population smokes at a rate over twice that of the population with private insurance¹. While the Affordable Care Act established requirements for what Medicaid and Medicaid expansion plans must cover in terms of tobacco cessation, states have a lot of flexibility as to how the benefit is designed and administered. If you are interested in a specific state's Medicaid tobacco cessation coverage, please visit the [American Lung Association State Tobacco Cessation Coverage Database](#).

If you are interested in improving your state's Medicaid tobacco cessation coverage, we have a document that goes into making the case for tobacco cessation coverage in depth here: [Making the Case to Improve Medicaid Coverage: A Resource Guide \(lung.org\)](#)

Q: When should you pursue each tool – i.e. when is a State Plan Amendment (SPA) appropriate vs. Section 1115 waiver?

A: These tools are often grouped together as they are the two ways to impact Medicaid coverage in each state. However, they are very different in terms of how and when they should be used.

There are a variety of reasons why a state might submit a **SPA**:

- To implement new state legislation,
- To reflect a new mandatory benefit change/ implement new federal legislation, or
- To apply a state policy change.



A state Medicaid program would look to submit a SPA when the desired policy changes align with the current state Medicaid statute. SPAs are non-controversial/non-experimental in nature.

The State of Louisiana was able to implement a SPA to help expand tobacco cessation coverage for pregnant people. To learn more, please see the Lung Association's [webcast](#) highlighting their work. The state pursued and received approval in September 2023 to further expand their tobacco cessation benefit to all Medicaid recipients through a SPA.

1115 demonstration waivers allow states to “waive” part of the Medicaid statute.

- These are experimental in nature but must promote the objectives of the Medicaid program – i.e. furnish healthcare.
- They are approved individually by the Department of Health and Human Services, Centers for Medicaid and Medicare Services (CMS), usually for a time period of 3 – 5 years but can be extended and amended.
- Must be budget neutral to the Federal government.
- Robust evaluation required.

Q: I want to pursue making a change to improve cessation coverage, but who do I talk to/ where do I start?

A: The Lung Association has a wealth of resources about how to improve tobacco cessation coverage, so you're in the right place. In addition to our resource library accessed at www.lung.org/cessationta, Lung Association staff are available to offer one on one technical assistance on this work at cessationta@lung.org.

One of the first critical steps is to build relationships with your state key partners, such as the state Medicaid program, tobacco control program and other public health partners. Since you are not likely the person who will be writing the amendments or waivers, it is vital to find and foster champions in the state department that administers the Medicaid program. We do have a resource that helps translate much of the terminology we use in public health to insurance focused terms at [Glossary of Terms: Tobacco Cessation Coverage and Health Insurance \(lung.org\)](#).

We also recommend working with appropriate programs at your state Department of Health focused on related chronic health issues or substance abuse work. It is also important to identify and engage external partners invested in assuring access to tobacco cessation treatment for all. There is usually a state coalition of organizations working to improve public health and reduce the burden of tobacco on your communities that could be the first place to identify people already engaged and passionate on these issues.



Q: What are the timeframes and processes for State Plan Amendments and Section 1115 Waivers getting approved?

A: Both tools usually take time to implement – from gathering partners and data, to writing the applications, to hearings, to implementation, to evaluation – however each process has its own requirements.

State Plan Amendments (SPA)	Section 1115 Waivers
<ul style="list-style-type: none"> • CMS has 90 days to approve or deny the SPA, if not, it automatically goes into effect. CMS can stop the clock once by asking for additional information. • Generally, there are not federal requirements for public comments for SPAs, but states can (and some do) have their own requirements. 	<ul style="list-style-type: none"> • Required 30-day state comment period. • Required 30-day federal comment period. • No requirement on timing of approval from CMS. • Special Terms and Conditions are the governing document.

Q: Any other keys to success – i.e., terms to know, data to gather, etc.?

A: While the document referenced above about [general insurance terms](#) will be helpful, there are a few terms and ideas that you should be familiar with to help determine what tool is useful and when.

- Mandatory vs. Optional Benefits: Federal law lays out what Medicaid is required to cover and what it can cover. Medicaid has an excellent resource on that here: [Mandatory & Optional Medicaid Benefits | Medicaid](#) If you are looking at expanding coverage in your state to include an optional benefit, you want to look at getting a SPA. If not, you will want to be looking at the more experimental tool, the Section 1115 waiver.
- Budget neutrality: This is a term that is a requirement of any Section 1115 waiver – meaning that the proposed change cannot cost the federal government more than without the waiver. Gathering data about what this proposed intervention will cost is key.
- It is also helpful to research if your idea has worked, been approved in other places (either in other locations or disease conditions), and if there are any documented successes:
 - o You may find that a SPA has been approved in another state or a similar idea but for a different disease state: [Medicaid State Plan Amendments | Medicaid.gov](#)



- As previously mentioned, the waiver is more experimental in nature. You will need to make a case for why you are pursuing this idea and significant evaluation will be required with implementation. While it is recognized that this is a pilot project, it may be helpful to review the [State Waivers List | Medicaid](#) for any helpful successes to share as well.

Q: What other resources are available if I want to move forward?

A: The American Lung Association has staff who are ready and willing to work with you on next steps. Please reach out to us at cessationta@lung.org and visit our resources specifically on this issue:

[Using State Plan Amendments and 1115 Waivers to Improve Medicaid Coverage of Tobacco Cessation \(lung.org\)](#)

[Using SPAs and 1115 Waivers to Improve Cessation Coverage | Tobacco Cessation Policy Podcast \(podbean.com\)](#)

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¹ Cornelius ME, Loretan CG, Jamal A, et al. Tobacco Product Use Among Adults – United States, 2021. MMWR Morb Mortal Wkly Rep 2023;72:475–483. DOI: <http://dx.doi.org/10.15585/mmwr.mm7218a1>