SECTION 1332 of the Affordable Care Act

WHAT ARE 1332 WAIVERS?

Section 1332 waivers allow states to waive requirements of the ACA pertaining to:
- Insurance marketplaces
- Premium tax credits and cost-sharing reduction payments
- Individual & employer mandates
- Qualified health plan requirements

This gives states greater flexibility to pursue alternative approaches to providing coverage in the individual and small group markets.

Section 1332 also allows money the federal government would have spent on premium tax credits, cost sharing reductions, and small employer tax credits to help fund the state’s program.

CONGRESS COULD STREAMLINE THE PROCESS

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<th>CURRENT PROCESS</th>
<th>STREAMLINED PROCESS</th>
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| Engage key stakeholders and pass required authorizing legislation before applying for 1332 waiver. | Options:  
- Eliminate or modify requirement for state legislation to apply for waiver.  
- Develop model legislation for use by states interested in developing 1332 waivers. |
| Determine approach, draft waiver application, and schedule pre-application hearings:  
- Actuarial analysis, economic impact study.  
- Internal review of application materials.  
- Tribal outreach, if applicable. | Provide planning funding to help states secure necessary contracts.  
States could adapt proposal language that has already been approved by HHS for expedited review.  
Decrease public comment period from the requisite 30 days. |
| Publish application for public comment. Hold public hearings, incorporate public comments, and submit application to HHS. | Reduce time for HHS application completeness review and application evaluation. |
| HHS reviews waiver application for up to 6-7 months. | |

45 days for application completeness review

180 additional days to evaluate application

SOURCES: Centers for Medicare & Medicaid Services (CMS), National Conference of State Legislatures

*Note that the effect of state laws vary considerably.

SOURCES: National Conference of State Legislatures (NCSL), Oliver Wyman Health, State Health Reform Assistance Network