

**Summary of the DDDS 1915(b)(4) Waiver Fee-for-Service Selective Contracting Program  
Proposed Effective Date July 1, 2019**

**Background**

Section 1915(b) of the Social Security Act gives the Secretary of Health and Human Services the discretion to waive a broad range of requirements included in Section 1902 of the Act as may be necessary to enable a State to implement alternative delivery mechanisms for its Medicaid program. However, the Secretary may exercise that discretion only insofar as the alternative delivery mechanism is found to be cost-effective, efficient, and not inconsistent with the purposes of Title XIX of the Act.

In particular, subsection (b)(4) permits a State to restrict the provider from whom Medicaid beneficiaries receive services as long as such restrictions do not substantially impair access to services of adequate quality where medically necessary. This statutory authority (as well as implementing regulations at 42 CFR §431.55) can be used in both fee-for-service as well as managed care arrangements.

The 1915(b)(4) application renewal is targeted specifically to selective contracting arrangements that will be paid on a fee-for-service basis. In order to limit the number of providers rendering covered services to Medicaid beneficiaries, States must submit a waiver renewal to CMS, seeking permission to waive section 1902(a)(23)(A) of the Act, which otherwise permits beneficiaries free choice of providers.

**Section A – Waiver Program Description:** This section describes the administrative structure under which the benefit is operated.

No significant changes were made to this section. Only minor edits have been made such as renaming the service Employment Navigator to Employment Navigation, which better describes the service, and reported staff to participant ratio data associated with the Employment Navigation program.

**Section B – Waiver Cost-Effectiveness and Efficiency :** This section provides a description of the methods employed to ensure the integrity of payments made for services.

Updated expenditures data was provided.

No other significant changes were made to the amendment.