

Table 5.D
Authorities Available for Including Medicare
in Program Design

Feature	Section 1859	Sections 1894 and 1934	Sections 402/222	Section 1115A
Provider network, capitated payment and other managed care features	Yes	Yes	Feature must be related to payment innovation.	Yes
Targeted population	Yes, within a limited set of options	Yes, as prescribed in the authority.	No	Yes
Limited geographic area	Yes	Yes	Yes	Yes
Full integration of Medicare and Medicaid, including state management of Medicare funds	No	No	No	Yes
Budget test	None	Upper Payment Limit for Medicaid payments; None for Medicare payments	Budget neutral	None initially, but must reduce spending or improve quality to continue