

Scott Walker
Governor



DIVISION OF MEDICAID SERVICES

1 WEST WILSON STREET
PO BOX 309
MADISON WI 53701-0309

Linda Seemeyer
Secretary

State of Wisconsin
Department of Health Services

Telephone: 608-266-8922
Fax: 608-266-1096
TTY: 711

June 7, 2017

Mr. Brian Neale
Deputy Administrator
Centers for Medicare and Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, MD 21244-1850

Re: Request to Amend Wisconsin's Section 1115 BadgerCare Reform Demonstration Project

Dear Mr. Neale:

I am pleased to submit Wisconsin's Section 1115 Demonstration Waiver Amendment application for the BadgerCare Reform Demonstration Project. The Centers for Medicare and Medicaid Services (CMS) originally approved Wisconsin's BadgerCare Reform Demonstration Project in December of 2013. The demonstration permits Wisconsin to provide the Medicaid standard benefit plan to adults without dependent children and who have household incomes up to 100 percent of the federal poverty level.

The Wisconsin Department of Health Services (DHS) is seeking approval to implement policies specific to the childless adult population, as required by the 2015 Wisconsin Act 55. Additional amendments are also included that align with DHS's goals of promoting health care value and member engagement. We believe the requests in this application will allow Wisconsin to continue to innovate our Medicaid program while ensuring health care access for those who need it most.

DHS is optimistic for a favorable response and looks forward to working with CMS to continue to innovate and improve health for the childless adult population.

Sincerely,

A handwritten signature in cursive script that reads "Michael G. Heifetz".

Michael Heifetz
Medicaid Director

State of Wisconsin
BadgerCare Reform Demonstration Project

**Coverage of Adults Without Dependent Children with
Income at or Below 100 Percent of the Federal Poverty Level**

Section 1115 Demonstration Waiver Amendment Application

June 7, 2017

Table of Contents

1.0 Introduction	3
2.0 Background	3
3.0 Demonstration Objectives and Summary	4
3.1 Project Objectives	4
3.2 Demonstration Project Overview	4
3.3 Demonstration Population	6
3.4 Demonstration Project Descriptions	6
3.4.1 Monthly Premiums	7
3.4.2 Healthy Behavior Incentives	8
3.4.3 Health Risk Assessment (HRA)	9
3.4.4 Time Limit on Medicaid Eligibility	10
3.4.5 Substance Abuse Identification and Treatment	11
3.4.6 Expanding Substance Use Disorder Treatment	14
3.5 Implementation	16
4.0 Requested Waivers and Expenditure Authorities	16
5.0 Budget Neutrality	17
5.1 Budget Neutrality for the Childless Adults Population Not Exceeding 100% FPL	17
5.1.1 Methodology for Without Waiver Amendment Calculation:	17
5.1.2 Methodology for With Waiver Amendment (WWA) Calculation:	18
5.2 Introduction of Premiums and Health Risk Assessments (HRA)	18
5.3 Introduction of Emergency Department (ED) Copayments	19
5.4 48-month Time Limit on Eligibility	20
5.5 Institute for Mental Disease Benefit (IMD) Adjustment	20
5.6 Budget Neutrality Table for Childless Adults	21
6.0 Evaluation Design	21
7.0 Public Involvement and Public Comment	22
7.1 Public Notice Requirements	23
7.2 Summary of Public Comments and Wisconsin DHS Response	25
7.2.1 Tribal Consultation Comment Summary	31
7.2.2 Consideration of Public Comments in Final Waiver	32
8.0 Demonstration Administration	33

1.0 Introduction

The State of Wisconsin's goal is to continuously improve its Medicaid programs while maintaining access to affordable, quality health care coverage for our residents. In 2013, the Centers for Medicare and Medicaid Services (CMS) approved Wisconsin's 1115 Demonstration Waiver, which permits the state to provide the Medicaid standard benefit plan to adults without dependent children, also known as the childless adult population. Over the past three years, the childless adult population has been served successfully by Medicaid plans and providers. Wisconsin is seeking the opportunity for further innovation by establishing policies that will promote improved health outcomes, increase participants' ability to obtain and maintain employment and employer-sponsored health care, slow down the rising costs of health care spending, and familiarize individuals with private health insurance practices, particularly for those with fluctuating incomes.

2.0 Background

Prior to the existing demonstration (BadgerCare Reform Demonstration Project), Wisconsin has a history of successfully providing widespread access to health care to its residents. In 1999, Wisconsin implemented BadgerCare, which provided a health care safety net for low-income families transitioning from welfare to work. In addition, BadgerCare Plus expanded coverage to families at income levels that had not previously been covered under the Medicaid Program.

In 2008, Wisconsin Medicaid eligible groups included all uninsured children through the age of 18, pregnant women with incomes at or below 300 percent of the federal poverty level (FPL), and parents and caretaker relatives with incomes at or below 200 percent of the FPL.

In 2009, Wisconsin received approval through a Section 1115 Demonstration Waiver to expand coverage to childless adults with incomes at or below 200 percent of the FPL. This population became eligible for the BadgerCare Plus Core Plan, which provided a limited set of benefits.

In 2011, Wisconsin submitted and received approval to amend the BadgerCare and BadgerCare Plus Core Plan demonstrations, allowing Wisconsin to require that non-pregnant, non-disabled adult parents and caretaker relatives whose incomes exceed 133 percent of the FPL pay a monthly premium.

Most recently, in 2013, CMS approved a five-year Section 1115 Demonstration Waiver known as the Wisconsin BadgerCare Reform Demonstration Project. The waiver became effective January 1, 2014, and expires on December 31, 2018. Under this waiver, Wisconsin is eligible for federal Medicaid matching funds for providing health care coverage for childless adults between the ages of 19 and 64 years old who have income at or below 100 percent of the FPL. The childless adult population receives the standard benefit plan, which is the same benefit plan that covers parents, caretakers, and children.

Additionally, the existing BadgerCare Reform Demonstration Project enables Wisconsin to test the impact of providing Transitional Medical Assistance to individuals who are paying a premium that

aligns with the insurance affordability program in the federal marketplace based on their household income when compared to the FPL.

With an innovative approach to Medicaid reform to address the specific needs of Wisconsin, residents at all income levels have access to health care coverage either through employer-sponsored or private insurance, a public assistance program, or the health insurance marketplace. As a result of this reform, everyone living in poverty in Wisconsin has access to health care services providing full benefits for the first time in history.

3.0 Demonstration Objectives and Summary

3.1 Project Objectives

Wisconsin is committed to the implementation of policies that are vital to a fair and vibrant marketplace that delivers affordable, high-quality health care to its citizens and leverages the state's tradition of strong health outcomes, innovation, and provision of high quality health care. Specifically, Wisconsin's overall goals for the Medicaid program are to:

- Ensure that every Wisconsin resident has access to affordable health insurance to reduce the state's uninsured rate.
- Create a medical assistance program that is sustainable so a health care safety net is available to those who need it most.
- Help more Wisconsin citizens become independent so as to rely less on government-sponsored health insurance.
- Empower members to become active consumers of health care services to help improve their health outcomes.
- Design a medical assistance program that aligns with commercial health insurance design to support members' transition from public to commercial health care coverage.
- Establish greater accountability for improved health care value.
- Expand the use of integrated health care for all individuals.

3.2 Demonstration Project Overview

This amendment is prompted by the Wisconsin 2015-2017 Biennial Budget (Act 55), which requires the Wisconsin Department of Health Services (DHS) to submit an amendment to the BadgerCare Reform Demonstration Project in order to apply a number of new policies to the childless adult population. Wisconsin seeks to demonstrate that building on private sector health care models and implementing innovative initiatives will lead to better quality care at a sustainable cost for the childless adult population while promoting individual responsibility. The amendment policies align with what the majority of citizens experience in the private market and aim to improve health outcomes for the demonstration population by providing members and their health care providers with tools and practices that promote healthy lifestyles. The following dialogue outlines specific strategies to implement for the childless adult population to meet these goals. All of the innovations will be monitored to determine their impact.

Build on Private Sector Health Care Models

This amendment aims to more closely align the program for childless adults with private health insurance by requiring members to pay premiums toward their health care coverage. These out-of-pocket requirements are designed to prepare members for the norms of the private marketplace and ease transitions from public to private insurance.

Wisconsin believes that in addition to the long-term value to members aligning with the private system, establishing premiums will encourage members to place increased value on their health care and utilize it more effectively. Preventive care service utilization is expected to increase as members seek to utilize appropriate health care services. As a result, high costs related to emergency department usage may decline since health care needs will be met before conditions reach the level that require an emergency department visit.

In parallel to familiarizing childless adults with private sector health care practices, Wisconsin encourages Medicaid as a temporary solution rather than a replacement for employer-sponsored and private health insurance as a long-term coverage source. The amendment seeks to implement time-limited eligibility to meet this objective. However, Wisconsin also aims to provide members with the support and tools needed to obtain a full-time job that offers employer-sponsored insurance. Accordingly, the time that a member is working or participating in an employment training program for at least 80 hours a month will not count toward their 48-month time limit.

As a hallmark of the current waiver, Wisconsin implemented benefit reform to align with commercial insurance and the Affordable Care Act (ACA). In that same spirit, Wisconsin is proposing to add comprehensive substance use disorder residential treatment to align with commercial coverage.

Promote Healthy Behaviors

Promoting and incentivizing healthier lifestyles is a main focus of this demonstration. Under the amendment, a health risk assessment (HRA) will be created and utilized. The HRA will identify the health needs of the population and provide an opportunity for members to reduce their monthly premiums. Those assessed as having no health risk behaviors will see their monthly premiums reduced by half while members identified as engaging in a health risk behavior will pay the standard premium according to what income tier they fall within. This practice will incentivize members to proactively invest in their health care and promote healthier lifestyle choices. Furthermore, identifying members engaging in health risk behaviors allows the member, health plan, and provider to focus on managing these behaviors and their associated health effects. Members who practice healthy behaviors will not only be rewarded by paying lower premiums for their health care, but they will also be supported in developing those life skills needed to maintain employment or to utilize the employment and training programs also offered under this proposal.

Similarly, to promote appropriate use of health care services and behavior that is mindful of health care value, members who utilize the emergency room will be responsible for a graduated copay. Wisconsin believes this will help members understand the importance of choosing the appropriate care in the appropriate setting.

Support Behavioral Health and Substance Use Disorder Treatment Needs

Wisconsin has made, and continues to make, strides in addressing the substance use epidemic in the state. To make further inroads in helping residents recover from substance use, Wisconsin will institute a drug screening/testing program for the childless adult population. The goal of this proposal is to identify members with unmet substance use disorder treatment needs and connect those individuals to appropriate resources. Several benefits of drug screening are expected. Identifying drug use will allow the State to better provide treatment to those who may need it. Successful treatment will further enable members to live healthier lives, succeed in society, recognize gainful employment, and may lower overall program costs.

A key component in implementing this initiative is gaining approval to receive federal funds for the creation of a new residential substance use disorder treatment benefit. Wisconsin is seeking a waiver of the federal institution for mental disease (IMD) exclusion to allow coverage of medically necessary residential substance use disorder treatment services for up to 90 days for all BadgerCare Plus and Medicaid members. Appropriate and accessible care is critical to helping members receive timely and sufficient care to achieve and maintain recovery.

3.3 Demonstration Population

The amendment request pertains to non-pregnant, childless adults, ages 19 through 64 years old, who have countable income that does not exceed 100 percent of the FPL.

The amendment request also pertains to all BadgerCare Plus and Medicaid members only as it relates to residential treatment for a substance use disorder.

3.4 Demonstration Project Descriptions

The approved demonstration's special terms and conditions allow Wisconsin to submit an application for an amendment to the current waiver. Under 2015 Wisconsin Act 55 (biennial budget), DHS is required to submit to the U.S. Department of Health and Human Services (HHS) an amendment to the existing demonstration waiver that authorizes DHS to implement policies specific to the childless adult population. The proposed policy changes include:

1. Establish monthly premiums.
2. Establish lower premiums for members engaged in healthy behaviors.
3. Require completion of an HRA.
4. Limit a member's eligibility to no more than 48 months.
5. Require, as a condition of eligibility, that an applicant or member complete a drug screening and, if indicated, a drug test.

Policies that are not required by Act 55 and that are also included in the waiver amendment application include:

1. Charge an increased copayment for emergency department utilization for childless adults.
2. Establish a work component for childless adults.
3. Provide full coverage of residential substance use disorder treatment for all BadgerCare Plus and Medicaid members.

Wisconsin is committed to ensuring that the childless adult population has access to affordable health care coverage, encouraging behaviors that will improve health outcomes and promoting practices designed to help individuals successfully transition from public assistance to private health care coverage.

Current Waiver

Under the authority of a Section 1115(a) Demonstration Waiver, Wisconsin’s BadgerCare Reform Demonstration Project covers two demonstration populations: non-pregnant childless adults between ages 19 and 64 years old, and the Transitional Medical Assistance (TMA) eligibility group.

The waiver demonstration allows Wisconsin to provide state plan benefits other than family planning services and tuberculosis-related services to childless adults who have household income up to 100 percent of the FPL. Cost sharing for the childless adult population is the same as that indicated in the Medicaid State Plan. The focus for this population is to improve health outcomes, reduce unnecessary services, and improve the cost-effectiveness of Medicaid services.

Additionally, Wisconsin has the authority to charge premiums to TMA adults with incomes above 133 percent of the FPL starting from the first day of enrollment, and to TMA adults from 100 to 133 percent of the FPL after the first six calendar months of TMA coverage.

All approved provisions in the BadgerCare Reform Demonstration project will be maintained.

Amendment Proposals

Wisconsin proposes to amend the current waiver with the following policies that will only apply to the childless adult population.

3.4.1 Monthly Premiums

In an effort to better align member experience with that of private health care in the state, Wisconsin proposes to implement a premium payment for the childless adult population with household income from 51 to 100 percent of the FPL. Wisconsin has structured the payment model so that no household is required to contribute more than 2 percent of their income. This structure follows recent CMS approvals that allow states to establish premiums for childless adults up to this limit. Additionally, members with the lowest or no income will be exempt from paying monthly premiums so that this population segment can maintain health care coverage and without further financial burden.

Monthly premium amounts will be divided into the following two income tiers:

Table 1. Monthly Premiums by Household Income

Household Income	Monthly Premium Amount
0 to 50 percent of the FPL	No premium
51 to 100 percent of the FPL	\$8 per household

The proposed monthly premium requirement will not affect the current copayment policies, which will remain in place. Cost-sharing exemptions from copays for the American Indian and Alaska Native (AI/AN) population will extend to exemption from the monthly premiums.

Wisconsin will notify members who do not pay billed premiums, thus providing opportunities for members to pay before these provisions are applied. Once members are no longer eligible for this reason, they may not be eligible for health care benefits again for up to six (6) months. Reenrollment during those six-months will not be allowed until all outstanding premiums are paid. Members may reenroll at any time prior to the end of the six months by paying owed premiums. After the six-month period, individuals may gain eligibility for health care benefits again if they meet all program rules, even if they have unpaid premiums. Premiums will be calculated when a member reports a change in income or at annual eligibility redetermination.

Requiring payments directly from members is important to actively engage members in appropriate health care utilization and value. However, Wisconsin understands that there may be times when a member is unable to make monthly payments. Therefore, in such instances, third-party contributors will be permitted to make payments on a member's behalf. Third-party contributors may include, but are not limited to, nonprofit organizations, hospitals, provider groups, and employers.

3.4.2 Healthy Behavior Incentives

In an effort to encourage a healthy lifestyle, improve accountability, and lower health care costs, Wisconsin proposes to implement a healthy behaviors incentive program. This approach to health care also follows wellness programs adopted in the private market by linking healthy lifestyle choices with financial benefits. Wisconsin believes this program will empower members to be actively engaged in their health care. Accordingly, Wisconsin seeks to provide members with the opportunity to reduce their premium payment if they demonstrate healthy habits. Members who do not engage in behaviors that increase health risks will have their premiums reduced by 50 percent. For members who demonstrate a health risk behavior but attest to actively managing their behavior and/or have a condition beyond their control, the premium may also be reduced by half. For members who demonstrate a health risk behavior and are not actively managing their behavior(s), the standard premium will apply. This incentive model rewards members who demonstrate healthy behaviors while ensuring that cost-sharing for all members does not exceed federal limitations. Members will have the opportunity to update and self-attest to any changed health risk behavior on an annual basis when eligibility is re-determined.

Following a review of potential health risk behaviors in the Behavioral Risk Factor Surveillance System, National Health Interview Survey, and the National Center for Health Statistics annual report on national health trends, it has been determined the following behaviors increase health risks: alcohol consumption, body weight, illicit drug use, seatbelt use, and tobacco use. Wisconsin will follow the target measurements set by national health organizations, such as the Centers for Disease Prevention and Control, to determine the threshold of when engaging in these behaviors are considered to increase health risk. To identify members who are engaging in these behaviors,

Wisconsin will require members to complete an HRA, which is described in the section that follows.

Table 2. Reward for Healthy Behaviors

Reduced Premium (by half)	Standard Premium
<ul style="list-style-type: none"> For members identified as not engaging in any health risk behavior(s) For members identified as engaging in health risk behavior(s) but who attest to actively managing their behavior For members identified as engaging in health risk behaviors(s) but who attest to having a condition beyond their control impacting the health risk measurement 	<p>For members identified as engaging in health risk behavior(s) and not actively managing their behavior(s)</p>

Table 3. Identification of Health Risk Behaviors

Health Risk Behaviors	Risk Measurement	Identification Tool
<p>Alcohol consumption, body weight, illicit drug use, seatbelt use, and tobacco use</p>	<p>Threshold of when a behavior is determined as posing a health risk will follow national health organizations standards (as described above)</p>	<p>Health risk assessment</p>

3.4.2.1 Copays for Emergency Department Utilization

Additionally, to promote appropriate use of health care services and behavior that is mindful of health care value, members who use the emergency department will be responsible for an \$8 copay. Wisconsin encourages members to use the emergency department appropriately as this service is costly, and non-emergent use of the emergency department decreases resources available for those truly in need of emergency care. Members will be educated on seeking preventive services and other care at the appropriate setting. They will also understand the direct cost of health care services, which will drive responsible health care decision-making. Providers will be responsible for collecting copayments from members but cannot refuse treatment for nonpayment of the copay. Cost-sharing exemptions from copays for the American Indian and Alaska Native (AI/AN) population will be applied to this policy.

3.4.3 Health Risk Assessment (HRA)

Wisconsin proposes to require the childless adult population to complete an annual HRA. In alignment with recent federal Medicaid managed care regulations, this information will be used to identify and document the health risk for all members, which will allow for more efficient management and understanding of the health needs of the demonstration population.

In an effort to encourage completion of the HRA and provide an opportunity for members to have their premiums reduced as previously described, the HRA will be the tool used to identify whether a member is engaging in or abstaining from health risk behaviors. Members may also use the HRA to self-attest to their active management of a health risk behavior and/or to having an underlying health condition that affects a health risk measure. Members who fail to complete the HRA will be subject to the standard premium.

Members will complete an HRA at enrollment and again at annual renewal and will allow Wisconsin to monitor continued, discontinued, and new health risk behaviors. The health risk behaviors defined under this proposal include: alcohol consumption, body weight, illicit drug use, seatbelt use, and tobacco use. The HRA will ask members to identify whether they are engaging in any of the behaviors listed above and will self-attest on their management of the behavior.

3.4.4 Time Limit on Medicaid Eligibility

Wisconsin's goals include keeping health care costs at sustainable levels, ensuring continued assistance is available to individuals most in need, and promoting employer-sponsored insurance as the preferred means for health care coverage. As such, Wisconsin proposes to limit an individual's enrollment to 48 months. The count of the 48-month period will begin on the first month the policy goes into effect. For individuals who enroll after the implementation of the policy, the calculation will begin on initial program enrollment. After 48 months of enrollment, a member will not be eligible for health care benefits for six months. The 48-month time limit will start again when a member reenrolls after the six-month restrictive reenrollment period. Members over age 49 years old will not be subject to the 48-month eligibility limit. The 48-month time limit applies only to members who meet Medicaid eligibility requirements as childless adults. For example, if an individual loses Medicaid eligibility as a childless adult but gains Medicaid eligibility through a different eligibility category, the 48-month time limit will no longer apply unless the individual becomes a childless adult again.

3.4.4.1 Employment and Training

As part of a broader effort to encourage members to seek work and reach self-sufficiency, those who meet specified work requirements while receiving Medicaid benefits will not accrue time in their 48-month eligibility time limit. This policy aligns with Wisconsin's initiative across public assistance programs to empower residents to obtain the skills and training to secure full-time employment while still receiving support to lead healthy lives. Wisconsin's FoodShare Employment and Training (FSET) program is the model the BadgerCare work component will follow. The work component applies to members ages 19 through 49 years old. The 48-month count will stop during the time a member works and/or receives job training for at least 80 hours per month. Wisconsin will leverage the FSET resources to connect members with opportunities to participate in employment training. We anticipate that a majority of members are already familiar with employment and training programs as there is significant overlap between members enrolled in both FoodShare and BadgerCare.

Wisconsin understands there are circumstances that limit or prevent a member from being able to work or receive employment training; therefore, a member will be exempt from the work requirement and associated eligibility time limit if any of the following is true:

- The member is diagnosed with a mental illness.
- The member receives Social Security Disability Insurance (SSDI).
- The member is a primary caregiver for a person who cannot care for himself or herself.
- The member is physically or mentally unable to work.
- The member is receiving or has applied for unemployment insurance.
- The member is taking part in an alcohol or other drug abuse (AODA) treatment program.
- The member is enrolled in an institution of higher learning at least half-time.
- The member is a high school student age 19 or older, attending high school at least half-time.

3.4.5 Substance Abuse Identification and Treatment

Wisconsin recognizes that substance use disorder is a significant public health risk and a barrier to the health, welfare, and economic achievement of residents. As drug abuse is an issue of state and national concern, Wisconsin seeks to proactively address this growing problem to help all residents through focusing on medical, criminal, and treatment efforts. Wisconsin is committed to ensuring those participating in public assistance programs get help for behaviors that increase health risks and further burden public health. Wisconsin Medicaid, the state's largest health care program, must play a key role in identifying individuals affected by this disorder and assist these individuals in receiving treatment.

Accordingly, Wisconsin requests approval to require, as a condition of eligibility, that an applicant or member submit to a drug screening assessment and, if indicated, a drug test. A positive indication on the drug screening or test would not result in an individual losing eligibility or being disqualified from receiving benefits. The goal of the drug screening and drug test is to identify individuals with unmet substance use disorder treatment needs and connect them with appropriate treatment.

Individuals will be required to complete a screening questionnaire, as determined by DHS, regarding their current and prior use of controlled substances. Individuals who fail to complete a screening questionnaire will be ineligible for program benefits until they complete the screening questionnaire. Individuals whose answers to the screening questionnaire do not indicate possible abuse of a controlled substance will be deemed eligible for program benefits without further screening, testing, or treatment. Individuals whose answers on the screening questionnaire indicate possible abuse of a controlled substance shall be required to undergo a test for the use of a controlled substance. Individuals who refuse to submit to a drug test shall be ineligible for program benefits until they submit to a test, and test results have been reported. Results of a drug test performed by another state program can be used to determine whether an individual will be referred to drug treatment. Additionally, members will be allowed to forego a drug test if they indicate in their drug screening questionnaire that they are ready to enter treatment. Wisconsin is offering this option that promotes a member's choice to positively address their substance use disorder without subjecting the member to an unnecessary test.

An individual who tests negative for the use of a controlled substance will be eligible for program benefits without further screening, testing, or treatment. For individuals who test positive for a controlled substance without evidence of a valid prescription, program eligibility will go into effect under the condition that the individual enters into a substance abuse treatment program. In the event that treatment is not immediately available, a member will continue to be eligible for all health care services. Refusal to participate in a substance abuse treatment program will lead to program ineligibility; however, a dis-enrolled individual may reapply for benefits at any time the individual agrees to seek treatment. Wisconsin will follow evidence-based practice to allow members multiple opportunities to enter treatment. Evidence supports that members are much more likely to complete treatment when they enter it voluntarily rather than as a condition of eligibility, and when they are given multiple opportunities to attempt, fail, and re-enter treatment.

The table that follows summarizes the requirements and consequences of the substance abuse identification and treatment program.

Table 4. Substance Abuse Identification and Treatment Program

Requirement	Impacted Population	Impact of Requirement Results	Consequence for Refusal to Meet Requirement
Drug Screening Assessment	Individuals at time of application and members at time of annual redetermination	<i>Negative Result:</i> Eligible for BadgerCare benefits with no further action required <i>Positive Result:</i> Eligible for BadgerCare benefits and required to submit to a drug test	Ineligible for BadgerCare benefits until the assessment is completed
Drug Test	Only individuals/ members for which a positive answer is indicated in the drug screening assessment and for whom no valid prescription can be verified*	<i>Negative Result:</i> Eligible for BadgerCare benefits with no further action required <i>Positive Result:</i> Eligible for BadgerCare benefits and required to participate in substance abuse treatment	Ineligible for BadgerCare benefits until the drug test is submitted
Substance Abuse Treatment	Only members who test positive on the drug test and for whom no valid prescription can be verified	Enter into a substance abuse treatment program	Ineligible for BadgerCare benefits but may reapply for benefits at any time the member consents to treatment

**Members who express a desire to enter treatment on their screening questionnaire will be allowed to skip the drug test and enter treatment.*

3.4.5.1 Addressing Substance Abuse in Wisconsin

Wisconsin has made, and continues to make, broad efforts across the state to address the drug abuse epidemic in our communities. Initiatives include Medicaid program coverage revisions as well as broader community initiatives to address opioid addiction. The Wisconsin legislature has also enacted 17 bills for system improvements directly related to drug abuse and addiction. As the Medicaid program seeks to build on these efforts, a gap has been identified in care due to the IMD exclusion under Section 1905(a)(29)(B) of the Social Security Act creating a barrier to efforts to use Medicaid to provide nonhospital inpatient behavioral health services. Although the Medicaid managed care rule published in May 2016 permits states to make a monthly capitation payment to a managed care organization for a member, ages 21 through 64 years old, who is receiving inpatient treatment in an IMD for a stay of no more than 15 days, this provision is insufficient to fully address the substance use disorder treatment needs of the Wisconsin Medicaid population. Previously, on July 27, 2015, CMS published a State Medicaid Director's letter¹ indicating an openness to provide limited authority to cover short-term IMD-related expenses as part of a waiver request to comprehensively redesign the substance use disorder service delivery. Through this waiver and Wisconsin's ongoing initiatives, this would meet the state's expectations set forth in the letter on the Section 1115 Demonstration Waiver substance use disorder program.

In September 2016, Governor Scott Walker created the Task Force on Opioid Abuse to address challenges the state is facing with drug abuse and provide recommendations on legislation and statutes, funding and programs, executive actions, and best practices that would increase the effectiveness of drug abuse education, prevention, and treatment. One of the results of this task force was a report on combating opioid abuse. This report highlights the crisis Wisconsin currently faces in that the number of citizens who die due to a drug overdose exceeds the number of those who die from motor vehicle crashes, suicide, firearms, or HIV. The growing challenge of drug overdose is exemplified by the threefold increase in opioid-related overdose deaths from 194 deaths in 2003, to 622 in 2014. Prescription opioid pain relievers contributed to half of the total drug overdose deaths, while heroin contributed to one-third of the total. There is a close link between heroin abuse and prescription drug abuse as individuals are 40 times more likely to be addicted to heroin if they are addicted to painkillers. From 2008 to 2014, the Wisconsin State Crime Laboratory observed a 419-percent increase in cases involving heroin. Furthermore, over the past decade, the state has experienced a 200-percent increase in drugged driving deaths.

Thus far, to address the opioid abuse epidemic, Wisconsin's efforts include several pieces of legislation, which are collectively referred to as the Heroin, Opioid, Prevention and Education (HOPE) Agenda. The HOPE Agenda policies range from requiring individuals to show proper identification when picking up Schedule II or III opioid prescription medication to address prescription fraud and diversion, increasing funding by \$1.5 million annually to expand treatment alternatives and diversion programs, to giving DHS oversight of the operation of pain management clinics across the state. Legislation passed from the 2013-2014 and 2015-2016 legislative sessions has led to improvements in opioid management through the Medicaid program. From quarter one of 2015 to the end of quarter three of 2016, the volume of Medicaid members with an opioid

¹ U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, SMD #15-003, *New Service Delivery Opportunities for Individuals with Substance Use Disorder*, <https://www.medicaid.gov/federal-policy-guidance/downloads/SMD15003.pdf>, July 27, 2015.

prescription has dropped by 12 percent. Wisconsin Medicaid continues to implement efforts advancing the goals of the state to combat drug abuse. Stemming from the task force recommendations, Medicaid is leading the path to improvement with current efforts, which include the following directives:

1. Reduce methadone/opioid use for pain management.
2. Improve provider understanding of best practices for opioid prescribing and dispensing.
3. Implement controls for high-risk opioid painkillers.
4. Increase use of the patient delivered partner medication.
5. Establish patient review and restriction programs.
6. Increase access to naloxone.
7. Expand treatment of substance use disorders.

Expanding treatment for substance use disorders is critical to combating the statewide drug abuse epidemic and is a key element in this amendment request. As the goal of the drug screening and testing requirement is to identify individuals with unmet substance use disorder treatment needs and connect these individuals to the appropriate treatment, Wisconsin aims to provide accessible and affordable treatment services for the BadgerCare Plus and Medicaid populations.

Accordingly, Wisconsin is requesting an amendment to the existing Section 1115 Research and Demonstration Waiver to seek a waiver of the IMD exclusion for all Medicaid beneficiaries ages 21 through 64 years old, including managed care members and members who participate in a fee-for-service program. The objective of this amendment is to maintain and enhance beneficiary access to behavioral health services in appropriate settings and ensure that individuals receive care in the facility most appropriate to their needs. Specifically, the waiver of the IMD exclusion would allow the Medicaid program to develop a residential substance use disorder treatment benefit that reimburses psychiatric facilities (for example, hospitals, nursing facilities, or other institutions of more than 16 beds that are primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases, including medical attention, nursing care, and related services) for medically necessary residential substance use disorder treatment for up to 90 days. Wisconsin requests that expenditures related to providing services in an IMD be regarded as expenditures under the state's Medicaid Title XIX State Plan. Wisconsin's request to waive the IMD exclusion for the childless adult population would result in a significant increase in access to residential substance use disorder treatment.

3.4.6 Expanding Substance Use Disorder Treatment

Wisconsin Medicaid's current substance use disorder treatment services are described below. By expanding substance use disorder treatment to include access to alternative providers and full coverage of residential treatment, Wisconsin would be able to provide the full continuum of care to members.

Medicaid-covered services include:

- Outpatient Substance Use Disorder Treatment – Includes assessment and counseling provided by substance abuse counselors and qualified mental health professionals.

- Substance Abuse Day Treatment – A structured program of assessment/planning and counseling provided under physician supervision. Includes at least 12 hours of counseling per week.
- Psychosocial Rehabilitation – Medicaid covers wraparound psychosocial rehabilitative services to address an individual’s substance use disorder and support independent living in the community.
- Medication-Assisted Treatment – Includes assessment, drug screening, prescription and administration of opioid dependency agents, and substance abuse counseling.
- Inpatient Treatment – Includes medically necessary acute care in a hospital for individuals with substance use disorder.

Although Wisconsin covers a robust set of services for individuals with substance use disorder, some gaps remain in the availability of clinically appropriate, evidence-based treatment. To address this concern, Wisconsin will develop coverage for residential substance use disorder treatment, which allows for individuals receiving treatment and recovering from substance use disorder to spend an adequate period of time to fully recover and prepare to live independently. In Wisconsin, access and availability to residential treatment for members is currently limited due to the IMD designation.

An IMD is defined in federal statute as a hospital, nursing facility, or other institution of more than 16 beds that is primarily engaged in providing diagnosis and treatment of care of persons with mental diseases, including medical attention, nursing care, and related services. CMS has published sub-regulatory guidance in the State Medicaid Manual that interprets an IMD to include any institution that by its overall character is a facility that is established and maintained for the care and treatment of individuals with mental diseases, even if it is not licensed as an IMD. The manual further states that an IMD assessment must be made to the extent any of the following guidelines are met:

- The facility is licensed or accredited as a psychiatric facility.
- The facility is under the jurisdiction of the state’s mental health authority.
- The facility specializes in providing psychiatric/psychological care and treatment.
- The current need for institutionalization for more than 50 percent of all the patients in the facility results from mental diseases.

In Wisconsin, there are approximately 60 certified facilities that provide residential treatment. At least 33 percent of these facilities have a capacity of 16 or more treatment beds, meeting the definition of an IMD. Although only one-third of facilities are IMDs, these facilities represent two-thirds of the treatment capacity in Wisconsin with approximately 600 of the total 900 beds in the state. Accordingly, covering services for an individual’s duration at an IMD will significantly increase residential substance use disorder treatment.

DHS intends to create a benefit to cover medically necessary residential substance use disorder treatment benefit, up to 90 days, for all BadgerCare Plus and Medicaid members. Benefit design includes provider certification, maximum fee schedule, and detailed coverage policy to define parameters for the benefit. The benefit would be available under both fee-for-service and managed care delivery systems. Prior authorization would be required. DHS would seek federal funding for medically necessary services covered under the residential substance use disorder treatment

benefit, including residential substance use disorder treatment for individuals in facilities that are considered IMDs.

In order to create this benefit, DHS is requesting waiver of the federal exclusion of payments for services delivered to certain patients in IMDs, SSA 1905(a)(29)(B), and the federal funding limitation of 15 days for short-term IMD stays covered under managed care, 42 CFR 438.6(e).

As this is an amendment to a demonstration waiver, the table below shows historical enrollment and expenditures for the first three years of the demonstration and projects enrollment and expenditures for the remaining two years.

Table 5. Historical and Estimated Waiver Population Enrollment and Expenditures

				Estimated	
	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Enrollment	99,967	154,561	150,050	147,483	146,407
Expenditures	\$424,170,522	\$775,836,538	\$825,120,447	\$923,979,859	\$1,045,005,614

3.5 Implementation

Wisconsin plans to implement any approved provisions at least one year after CMS approval. This time period allows sufficient time to communicate with members the changes in the BadgerCare program and for the state to prepare and implement operational and administrative changes. Immediately after CMS approval, DHS will work on communication and implementation plans that outlines the timing, content, and methodology in which childless adults will be notified of program changes. Internally, employees will be educated and systems updated to ensure a smooth transition to the new waiver amendments.

4.0 Requested Waivers and Expenditure Authorities

Wisconsin seeks waiver of the following requirements of the Social Security Act:

1. **Cost-Sharing – Section 1902(a)(14) insofar as it incorporates 1916 and 1916A**
To the extent necessary to enable Wisconsin to charge premiums to the childless adult population with household income from 51 through 100 percent of the FPL.
2. **Comparability – Section 1902(a)(17)/Section 1902(a)(10)(B)**
 - To the extent necessary to enable Wisconsin to vary monthly premiums for the childless adult population based on health behaviors and HRA completion.
 - To the extent necessary to enable Wisconsin to establish a time limit on eligibility for able-bodied childless adults between the ages of 19 and 49 years old while exempting other populations.
3. **Eligibility – Section 1902(a)(10)(A)**
 - To the extent necessary to enable Wisconsin to require the childless adult population, as a condition of eligibility, to complete a drug screening assessment and, if indicated, a drug test.

- To the extent necessary to enable Wisconsin to deem a childless adult ineligible for six months after 48-months of enrollment.
4. **Reasonable Promptness – Section 1902(a)(3)/Section 1902(a)(8)**
To the extent necessary to enable Wisconsin to establish a restrictive re-enrollment period of six months for childless adults who are dis-enrolled for failure to pay premiums within the state-determined grace period
 5. **Cost-sharing for Emergency Department (ED) Utilization – Section 1916(f)**
To the extent necessary to enable Wisconsin to establish an emergency department copay of \$8 for the childless adult population.
 6. **Costs Not Otherwise Matchable – Section 1905(a)(29)(B)**
 - Wisconsin requests that expenditures for providing residential substance use disorder treatment in an IMD be regarded as expenditures under the state’s Medicaid Title XIX State Plan.
 - Wisconsin requests that expenditures for providing residential substance use disorder treatment in an IMD for members enrolled in managed care are allowable to the same extent as those for Medicaid members covered through fee-for-service.
 - Wisconsin requests that expenditures related to costs associated with employment training as a covered benefit for the childless adults population be regarded as expenditures under the State’s Medicaid Title XIX State Plan.

5.0 Budget Neutrality

Federal policy requires Section 1115 waiver demonstrations be budget neutral to the federal government. This means that a demonstration should not cost the federal government more than what would have otherwise been spent absent the demonstration. Determination of federal budget neutrality for purposes of a Section 1115 demonstration application must follow a unique process that is distinct from federal and state budgeting and health plan rate setting. The processes, methods, and calculations required to appropriately demonstrate federal budget neutrality are for that express purpose only. Therefore, the budget neutrality model shown here should not be construed as a substitute for budgeting and rate setting or imply any guarantee of any specific payment.

To ensure budget neutrality for each federal fiscal year of this amendment through the current five-year BadgerCare Demonstration, Wisconsin will continue to use a per-member per-month (PMPM) methodology specific to the Wisconsin childless adult population. This calculation has been established in the context of current federal and state law and with the appropriate, analytically sound baselines and adjustments. The demonstration will measure the financial impact to the program. The following calculations are extended beyond the remaining waiver period for demonstration purposes.

5.1 Budget Neutrality for the Childless Adults Population Not Exceeding 100% FPL

5.1.1 Methodology for Without Waiver Amendment Calculation:

The Without Waiver Amendment (WOWA) historical amount and future projections were

determined using the following process:

Overall PMPM and Enrollment

The initial baseline PMPM and enrollment figures for the Wisconsin childless adult enrollee were determined by:

- a. Reviewing historical PMPM and enrollment figures for childless adults under the current waiver from April 2014 through December 2016
- b. Trending the historical data for both PMPM and enrollment into the waiver amendment periods through December 2023.
- c. Multiplying PMPM by enrollment to determine an annual spend under the current waiver terms and conditions through December 2023.

Using nearly three years' historical data provides an accurate figure for the historical cost of this population that can be trended forward as a baseline through 2023. The PMPM growth rate is an average across the demonstration years, individual years may fluctuate.

5.1.2 Methodology for With Waiver Amendment (WWA) Calculation:

Calculating With Waiver Amendment (WWA) PMPM and enrollment requires analyzing WWA policy areas that impact PMPM and enrollment. The following areas were determined to impact PMPM and enrollment:

- Introduction of Premiums and Health Risk Assessments (HRA)
- Introduction of Emergency Room (ER) Copayments
- 48-month time limit on eligibility

5.2 Introduction of Premiums and Health Risk Assessments (HRA)

Introducing premiums coupled with Health Risk Assessments (HRA) will impact both PMPM and enrollment. Each area is included in the budget neutrality calculation and was modeled using the following methodology:

1. Establish baseline WWA Enrollment
 - a. Historical data for enrollment from April 2014 through December 2016 was collected
 - b. Historical data for enrollment by FPL from April 2014 through December 2016 was collected
 - c. An average percentage of enrollment by FPL was established
 - d. A trend rate for enrollment was established
 - e. Historical data was trended into WWA years to create the baseline WWA enrollment then split by the appropriate FPL percentage
2. Establish Baseline WWA Enrollment
 - a. Research demonstrated a 4 percent and a 2 percent reduction in enrollment due to the introduction of premiums for households making full and reduced payments respectively
 - b. Additional research indicated a 23.5 percent health risk response rate for required HRAs
 - c. WWA enrollment was split by 76.5 percent non-health risk and 23.5 health risk responses
 - d. An assumed 50 percent of health risk responders will manage their health risk and are subject to reduced monthly premium payments

- e. WWA yearly enrollment was calculated by reducing WOVA enrollment by 4 percent for households subject to full payments and 2 percent for households subject to reduced premiums respectively this only applies to households in the 51-100% FPL range
 - f. The total number of households making full payments based on health risk response in the 51-100 percent FPL range is multiplied by the appropriate premium amount
 - g. The total number of households making reduced payments based on non-health risk response and health risk management in the 51-100 percent FPL range is multiplied by the appropriate premium amount
 - h. Research demonstrated a 5 percent rate of non-payment
 - i. The total value of premiums collected was reduced by 5 percent to create the projected monthly premium collection by year
3. Compare WOVA and WWA to determine the impact of premiums on enrollment and cost
 - a. WWA total enrollment was subtracted from WOVA enrollment
 - b. The difference in enrollment between WOVA and WWA was multiplied by WOVA PMPM for each year to determine projected savings from the enrollment change
 - c. Decreased enrollment coupled with premium collection results in reduced overall spend in this cost center, projecting savings WWA

5.3 Introduction of Emergency Department (ED) Copayments

Collecting Emergency Department (ED) copayments will impact PMPM in two ways. First, copayment money collected will defray the cost of care. Second, research indicates that utilization of the ER declines once copayments are introduced. The following methodology was used to model how ER copayments will impact PMPM:

1. Establish baseline utilization of the ER WOVA:
 - a. Historical data for yearly ER utilization and average cost of unique visits for childless adults under the current waiver provisions from 2015 through 2016 was collected and assumed constant through 2023
 - b. The WOVA average ER visit cost was multiplied by the WOVA number of visits to create a WOVA ER utilization total cost figure
2. Establish baseline utilization of the ER WWA:
 - a. Research was conducted that showed a 5 percent reduction in ER utilization based on the introduction of copayments
 - b. WOVA utilization was reduced in WWA years by 5 percent creating a WWA yearly utilization number for each year
 - c. The WOVA average ER visit cost was multiplied by the reduced WWA number of visits to create a WWA ER utilization total cost figure
 - d. The copayment amount was multiplied by the WWA number of visits to create a WWA ER copayment collections total
 - e. The total amount of copayments projected to be collected was subtracted by the WWA ER utilization total cost figure to create a total cost for WWA ER copayments
3. Compare WOVA and WWA figures to determine cost impact of introduction of ER copayments
 - a. WWA total ER utilization costs, including copayments, were subtracted from WOVA total ER utilization costs.

- b. Decreased utilization coupled with copayment collections were found to reduce overall spend in this cost center, projecting savings WWA.

5.4 48-month Time Limit on Eligibility

Introducing a 48-month time limit on eligibility will affect enrollment after the first 48 months of the waiver amendment. The methodology for determining enrollment impact is as follows:

1. Establish baseline WOWA enrollment:
Trended enrollment based on historical data from April 2014 to December 2016 is used as the baseline WOWA enrollment
2. Establish baseline WWA enrollment:
 - a. Historical data for age group and earned income was collected as of March 1, 2017, along with eligibility history from April 2014 through March 2017
 - b. Percentage of households ages 19-49 with earned income, and thus considered employed were determined and thus removed from the 48-month time limit calculation
 - c. The number of households staying on the program was determined at six-month intervals
 - d. A six-month trend for households staying on the program continuously for 36 months was used to establish the percentage of households projected to reach 48 months of enrollment
 - e. Research indicated 31 percent of households will qualify for an exemption (e.g., half-time student, on SSDI benefits). Such households were removed from the 48-month time limit calculation
 - f. Research illustrated that 42 percent of FoodShare Employment and Training beneficiaries met the work or work training requirement. It was assumed childless adults would follow this same percentage. These households were removed from the 48-month time limit calculation.
 - g. The 2023 WOWA trended enrollment was reduced by the number of households remaining

Compare total enrollment WOWA and WWA to determine the impact of 48 Month Eligibility on enrollment and cost:

1. WWA total enrollment post household removal was subtracted from WOWA trended enrollment
2. The difference in enrollment WOWA and WWA was multiplied by WOWA PMPM
3. The 48-month time limit results in decreased enrollment starting in 2023 and a cost savings WWA

5.5 Institute for Mental Disease Benefit (IMD) Adjustment

Wisconsin will develop coverage for residential SUD treatment in an IMD, which allows for individuals receiving treatment and recovering from SUD to spend an adequate period of time to fully recover and prepare to live independently. The methodology for determining cost impact is as follows:

1. Establish WOWA average cost per member for coverage in a non-IMD environment by using historical 2015-2016 utilization and cost data for SUD treatment in an inpatient facility.
2. Establish WWA average cost per member for coverage in an IMD environment by using historical 2015-2016 utilization data in the non-IMD environment and cost data for SUD coverage in an IMD environment.

Compare WOVA and WWA figures to determine cost impact of moving services from an inpatient environment to an IMD environment.

5.6 Budget Neutrality Table for Childless Adults

For each year of the demonstration, the following tables show the PMPM budget neutrality figures.

Overall Demonstration Chart					
Without Waiver Amendment Total Cost Demonstration					
	DY 1	DY 2	DY 3	DY 4	DY 5
Enrollment	148,962	149,706	150,455	151,207	151,963
PMPM	\$560.54	\$599.48	\$641.13	\$685.67	\$733.30
Expenditures	\$1,001,989,214.05	\$1,076,956,871.92	\$1,157,533,522.02	\$1,244,138,822.59	\$1,337,223,830.17
With Waiver Amendment Total Cost Demonstration					
	DY 1	DY 2	DY 3	DY 4	DY 5
Enrollment Increase (Decrease)	(824)	(828)	(832)	(836)	(5,102)
Enrollment	148,138	148,878	149,623	150,371	146,861
PMPM Increase (Decrease)	(\$2.81)	(\$2.80)	(\$2.80)	(\$2.79)	(\$2.78)
PMPM	\$557.73	\$596.68	\$638.33	\$682.88	\$730.53
Total Waiver Expenditures	\$991,446,944.04	\$1,065,990,836.61	\$1,146,112,656.53	\$1,232,229,740.99	\$1,287,430,911.33

With Waiver Amendment Enrollment and PMPM					
Enrollment Change Summary Chart					
	2019	2020	2021	2022	2023
Premium Introduction Increase (Decrease)	(824)	(828)	(832)	(836)	(840)
Time Limit Increase (Decrease)	0	0	0	0	(4,262)
Total Decrease	(824)	(828)	(832)	(836)	(5,102)
Cost (Savings) of Premium Introduction on Enrollment	(\$5,541,228.72)	(\$5,955,816.95)	(\$6,401,424.19)	(\$6,880,371.24)	(\$7,395,152.55)
Cost (Savings) of Time Limit Introduction on Enrollment	\$0.00	\$0.00	\$0.00	\$0.00	(\$37,501,815.31)
Total Cost (Savings) of Enrollment Adjustment	(\$5,541,228.72)	(\$5,955,816.95)	(\$6,401,424.19)	(\$6,880,371.24)	(\$44,896,967.86)
PMPM Adjustment Summary Chart					
	2019	2020	2021	2022	2023
Premium PMPM Adjustment	(\$1.03)	(\$1.03)	(\$1.03)	(\$1.03)	(\$1.03)
Emergency Room PMPM Adjustment	(\$1.78)	(\$1.77)	(\$1.76)	(\$1.75)	(\$1.75)
Job Training PMPM Adjustment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
IMD Benefit Adjustment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total PMPM Adjustment	(\$2.81)	(\$2.80)	(\$2.80)	(\$2.79)	(\$2.78)
Cost (Savings) of Premium PMPM Adjustment	(\$1,835,411.48)	(\$1,844,588.54)	(\$1,853,811.48)	(\$1,863,080.54)	(\$1,819,593.47)
Cost (Savings) of Emergency Room PMPM Adjustment	(\$3,165,629.81)	(\$3,165,629.81)	(\$3,165,629.81)	(\$3,165,629.81)	(\$3,076,357.51)
Cost (Savings) of Job Training PMPM Adjustment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Cost (Savings) of IMD Benefit Adjustment	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Total Cost (Savings) of PMPM Adjustment	(\$5,001,041.29)	(\$5,010,218.35)	(\$5,019,441.29)	(\$5,028,710.35)	(\$4,895,950.98)
Total Savings for PMPM and Enrollment Reduction	(\$10,542,270.01)	(\$10,966,035.31)	(\$11,420,865.49)	(\$11,909,081.60)	(\$49,792,918.84)

6.0 Evaluation Design

Wisconsin will accordingly update the BadgerCare Reform Demonstration Project evaluation design to account for the amendment provisions.

The amended demonstration evaluation will include an assessment of the following hypotheses related to members' personal responsibility in their health care:

- Completion of an HRA and paying a premium will increase members' level of engagement in their health care choices.
- Increased emergency department copayments will motivate members to use the health care system more appropriately.
- Incentivizing employment and training will support members' transition to self-sufficiency.

- Access to full coverage of residential substance use disorder treatment will lead to improved health and employment outcomes.
- Drug screening and testing will lead to improved health and employment outcomes.

The evaluation will analyze how the demonstration impacts access, outcomes, and costs. Comparisons will be examined between the covered childless adult population, prior waiver programs, and other BadgerCare populations. As with the existing demonstration, this amendment will consider policy choices related to the alignment of benefits and the equity of cost-share provisions for Medicaid and subsidized health insurance offered through the federally facilitated marketplace.

A detailed evaluation design will be developed for review and approval by CMS. The evaluator will use relevant data from the BadgerCare program and its managed care organizations. This may include eligibility, enrollment, claims, payment, encounter/utilization, chart reviews, and other administrative data. The evaluator may also conduct surveys and focus groups of beneficiaries and providers and other original data collection, as appropriate.

Both interim and final evaluations will be conducted to help inform the state, CMS, stakeholders, and the general public about the performance of the demonstration. All evaluation reports will be made public and posted on the DHS website.

7.0 Public Involvement and Public Comment

Wisconsin State Budget for SFY 2015-2017: The policies and state finances underlying this amendment for Medicaid coverage of childless adults under 100 percent of the FPL were proposed, considered, debated, and enacted as part of the public process for Wisconsin’s biennial State Budget for SFY 2015-17. The public documents provided with web links below provide considerable background information related to this amendment, including state policy and budget development:

- Governor Walker’s Executive Budget for 2015-2017 included recommendations on the childless adult health care reforms. On February 3, 2015, Governor Walker delivered his budget address. The complete budget document is available on the web at http://www.doa.state.wi.us/Documents/DEBF/Budget/Biennial%20Budget/2015-17%20Executive%20Budget/2015-17_Executive_Budget.pdf.
- Analysis by the Wisconsin Legislative Fiscal Bureau (LFB), a nonpartisan service agency of the Wisconsin Legislature, resulted in two public reports posted on the LFB website at <http://legis.wisconsin.gov/lfb/>. LFB reports with detailed information related to Medicaid coverage of childless adults and policy and budget information related to this amendment include:
 - BadgerCare Plus Coverage for Childless Adults Paper #354, (May 21, 2015): https://docs.legis.wisconsin.gov/misc/lfb/budget/2015_17_biennial_budget/102_budget_papers/354_health_services_badgercare_plus_coverage_for_childless_adults.pdf

- Drug Screening and Testing for Adults Without Dependent Children Enrolled in BadgerCare Plus, Paper #355 (May 19, 2015):
https://docs.legis.wisconsin.gov/misc/lfb/budget/2015_17_biennial_budget/102_budget_papers/355_health_services_drug_screening_and_testing_for_adults_without_dependent_children_enrolled_in_badgercare_plus.pdf
- The 2015 Senate Bill 21 was introduced by the Joint Committee on Finance, by request of Governor Walker, on February 3, 2015, and was passed on July 7, 2015. Senate Bill 21 text is available at
https://docs.legis.wisconsin.gov/misc/lfb/budget/2015_17_biennial_budget/102_budget_papers/355_health_services_drug_screening_and_testing_for_adults_without_dependent_children_enrolled_in_badgercare_plus.pdf.
- The 2015-2017 biennium budget was enacted as the 2015 Wisconsin Act 55 on July 12, 2015, and can be found at <https://docs.legis.wisconsin.gov/2015/related/acts/55>.

7. 1 Public Notice Requirements

DHS followed requirements set forth in the Special Terms and Conditions (STC) for the currently approved waiver, the Wisconsin BadgerCare Reform Demonstration Project. STC 6 instructs the State on the amendment process and DHS has accordingly included the requirements in Public Notice 42 CFR 431.408. The following describes the actions taken by DHS to ensure the public was informed and had the opportunity to provide input on the proposed waiver amendment.

Public Notice: On April 17, 2017, DHS published an abbreviated public notice to the Wisconsin Administrative Register:

https://docs.legis.wisconsin.gov/code/register/2017/736A3/register/public_notices/public_notice_badgercare_reform_demonstration_waiver/public_notice_badgercare_reform_demonstration_waiver.

Additionally, DHS employed several other modes of communication to inform the public of the abbreviated notice:

- Email to the Medicaid Distribution list, including BadgerCare Plus and ForwardHealth Partners, for a total of 11,477 recipients notified.
- Posting in different forums, including:
 - DHS BadgerCare Plus webpage
 - 1 W. Wilson Street (DHS Building)
 - ForwardHealth Community Partners announcement
 - Milwaukee Journal Sentinel
 - Wisconsin State Journal
 - Wausau Daily Herald

On April 19, 2017, DHS published a press release made available to all Wisconsin media outlets, <https://www.dhs.wisconsin.gov/news/releases/041917.htm>, and posted a full public notice seeking input on the draft amendment to the BadgerCare Reform Demonstration Project. This press release officially started the public comment period. Copies of the abbreviated and full public notice are available starting on page 34.

The 30-day public comment period thus began on April 19, 2017, and ended on May 19, 2017. However, DHS accepted and reviewed comments that came in through May 22, 2017, in consideration of technicalities, such as faxing errors and mailing delays.

Webpage: DHS created a public webpage that includes the public notice, the public input process, scheduled public hearings, the draft amendment application, and a link to the Medicaid webpage on Section 1115 demonstrations. Additionally, DHS published a Frequently Asked Questions (FAQs) webpage to further provide the public with clarity on the proposed amendments and provided presentations in English, Spanish, and Hmong. The webpage, which is updated as the amendment process moves forward, can be found at <https://www.dhs.wisconsin.gov/badgercareplus/waivers-cla.htm>.

Public Hearings: Listed below, DHS conducted two public hearings in geographically distinct areas of the state and included live webcast and teleconference capabilities for both hearings. An announcement regarding the hearings was provided to media outlets in Wisconsin via a press release: <https://www.dhs.wisconsin.gov/news/releases/041917.htm>. The press release, the public notice, and the webpage announce that the public can review the official waiver amendment request and provide comments for a 30-day period, as well as through written or verbal statements made at the public hearings listed below. Comments from the two public hearings relevant to this waiver amendment request are summarized in the following subsection, and a copy of the presentation provided during the public hearings is also available on the webpage and is included and starts on page 47.

- **Wausau:** Wednesday, April 26, 2017, 11:00 a.m. – 2:00 p.m.
Northcentral Technical College, Auditorium 1004, 1000 W. Campus Dr., Wausau, WI 54401
- **Milwaukee:** Monday, May 1, 2017, 4:00 p.m. – 7:00 p.m.
Milwaukee Center for Independence, MCFI Main Campus, Harry and Jeanette Weinberg Building, 2020 W. Wells St., Milwaukee, WI 53233

Tribal Consultation: Following 42 CFR 431.408, DHS consulted with representatives of the federally recognized tribes located in Wisconsin during the regularly scheduled Wisconsin DHS/Tribal Health Directors Meeting. That meeting was held on May 1, 2017, from 9:00 am to 1:00 pm at the Jefferson Street Inn at 201 Jefferson Street, Wausau, WI 54403. The proposed amendment to the BadgerCare Reform Demonstration Project was one of the topics on the meeting agenda. This meeting was also available via webinar and telephone for tribal representatives not on-site. A copy of the presentation as provided during the consultation is included and starts on page 68. A comment summary is provided in the following subsection.

Availability of Waiver Materials and Comment Mechanisms: The webpage and public notice stated clearly that a copy of the waiver amendment documents, including the final waiver amendment application once complete, could be obtained from DHS at no charge by downloading the documents from <https://www.dhs.wisconsin.gov/badgercareplus/waivers-cla.htm> or by contacting DHS via regular mail, telephone, fax, or email. The webpage and public notice further explained that public comments were welcome and were accepted for 30 days (from April 19, 2017, to May 19, 2017). Written comments on the changes could be sent by fax, email, or regular

mail to the Division of Medicaid Services. The fax number listed was 608-266-1096, and the email address was wisconsin1115clawaver@dhs.wisconsin.gov.

Public Comment Availability: A summary of the comments received through the various modes are available on the webpage for public view. In summary, DHS received 1,043 comments through email, fax, voicemail, mail, public hearings, and tribal consultation. The majority came in through email (391) and through mailings (657). Many emails and mailings contained duplicative petition language, but individuals also personalized their comments. Formal letters were also received by a number of organizations. The subsection that follows provides a summary of comments received from all comment mechanisms.

7.2 Summary of Public Comments and Wisconsin DHS Response

As stated in public hearings and documents, DHS gave all comments received through the various mechanisms the same consideration. To comprehensively address public input, comments are summarized by amendment topic and are followed by a DHS response. Of note, a significant number of comments addressed multiple or all proposed provisions in the waiver amendment. A portion of the comments made substantive comments and specific requests and recommendations. Additionally, there were a number of other comments that were either wholly in opposition or approval of the proposed waiver amendment. A summary of comments categorized by sections, along with a response from DHS, follows.

1. Monthly Premiums

Comment Summary: Many comments stated that the individual or organization shares DHS's goal of encouraging members to engage in their health care. There are concerns that those with incomes starting at 21 percent of the FPL will not be able to afford paying the monthly premiums despite the seemingly nominal amount. Commenters noted that for members living at or near poverty, even one dollar a month is unaffordable given the need to pay for other basic needs, such as food and housing. Additionally, many living at or near poverty do not hold credit cards or bank accounts to be able to make payments to the State. These issues raise the concern that members will lose coverage due to nonpayment of premiums, or nonenrollment due to unaffordability and that it may be more administratively burdensome to collect premiums than to not have them exist at all. To alleviate these concerns, suggestions from many commenters included simplifying the proposed premium tiers and providing an extensive grace period for nonpayment. A number of comments also stated that there are certain populations for whom monthly premiums would be especially unaffordable, and therefore, exemption for these populations should be included in the proposed amendment. These populations include the homeless; individuals with multiple chronic conditions; individuals with cancer, HIV/AIDS, or terminal illness; and domestic violence victims. Comments also acknowledged that the listed exemptions to the 48-month time limit/work component is appreciated and should be extended to the monthly premium requirement as well. Overall, commenters noted that losing coverage for any period of time due to nonpayment should be revised. Alternative consequences suggested include enrolling members into a lesser benefit plan or having members participate in educational programs/case management.

Wisconsin DHS Response: Many comments focused on the unaffordability of the proposed premiums for households with incomes starting above 20 percent of the FPL. Federal regulations do allow cost-sharing of up to 5 percent of household income, and the proposed household premiums are within this capped amount. Additionally, CMS has approved several other states, including Indiana, Iowa, and Montana, to collect monthly premiums from childless adults with incomes below 100 percent of FPL. Approved premium amounts have been up to 2 percent of income. DHS understands these states are Medicaid expansion states covering childless adults with incomes up to 133 percent of the FPL under the Affordable Care Act (ACA). However, Wisconsin is proud to be the only state that did not expand Medicaid under ACA and still has no gaps in coverage for any income population. This is an achievement unmatched by most, if not all, of the expansion states.

DHS has considered commenters' concerns that starting premium requirements could be difficult for those near poverty and that the proposed four premium tiers may be too complex due to frequent changes in income, challenges with collecting premiums at varying amounts, and comprehension of the policy by members. DHS appreciates these concerns and suggestions to simplify the premium tiers. For the reasons mentioned above, DHS restructured the premium tiers. The amendment request now proposes two premiums tiers: members with a household income from 0 to 50 percent of FPL will have no monthly premium, and members with a household income from 51 to 100 percent of FPL will have an \$8 monthly premium.

Regarding other common comments, DHS will continue to consider the operational suggestions we have received. These items include identifying allowable payment methods, particularly for members who may not have a bank account. Also, DHS agrees with commenters who expressed that a significant grace period should be in place. In our discussions with CMS and in finalizing operational protocols, DHS intends to consider a grace period of up to 12 months. DHS expects at least a yearlong implementation that will allow time to work further with stakeholders across the state and educate members on any approved policy.

Lastly, DHS would like to clarify that a member will start receiving benefits upon enrollment regardless of a first payment being made.

2. Health Risk Assessment

Comment Summary: Many commenters expressed that a health risk assessment (HRA), which allows providers and health maintenance organizations (HMOs) to better help patients with their health care needs, is overall a good idea. Suggestions for improvement include having members complete the HRA with their providers. Commenters indicated they believe this would help the parties work together to develop an appropriate care plan. Comments also stated that if HMOs are responsible for HRA administration, then this information should be readily available and accessible to members' providers. Some comments also recommended that premiums be completely reduced for members who complete the HRA, regardless of whether they engage in health risk behaviors or not. Lastly, a number of comments raised the concern that the HRA may be duplicative of other types of assessments members are expected to complete, such as the health needs assessment (HNA).

Wisconsin DHS Response: In regard to the duplicative assessments, the HRA will replace the HNA for the childless adults population enrolled in BadgerCare Plus. As processes are in place for the HNA, DHS intends to use these same processes in administering the HRA.

DHS encourages and will continue to encourage members to meet with a provider upon enrollment so a care plan can be developed to address their health risks and so they may receive preventative care.

3. Healthy Behaviors Incentives

a. Lower premiums for members engaging in healthy behaviors

Comment Summary: Comments expressed general acknowledgement that promoting healthy behaviors is a shared goal that individuals and organizations have with DHS. Concerns were raised that paying a higher premium due to engaging in health risk behaviors will result in a barrier for members in enrolling and receiving treatment or medical assistance for their health risk behaviors. As health risk behaviors will be identified based on the HRA, many comments suggested that the HRA should be completed by members and their provider. Comments also suggested that instead of eliminating higher premiums for those who engage in health risk behaviors, members could be required to develop a care plan or receive health education from providers. Moreover, a number of comments also mentioned that health risk behaviors are sometimes a result of an underlying condition and are not easily managed.

Wisconsin DHS Response: DHS respects the concerns and suggestions raised in the submitted comments. The policy provides members with the option of indicating whether or not they are managing their health risk or if an underlying condition exists that impacts a health risk. We encourage members to be honest and to see their provider to address health risks.

Furthermore, DHS has restructured premium tiers after reviewing comments and believes this will also be beneficial to the proposed healthy behavior incentive. The revised requested premium requirement starts at above 50 percent of the FPL. Accordingly, those with incomes at or below 50 percent of the FPL will not be subject to the healthy behavior incentive. The revised premium structure promotes affordability across all incomes, and the healthy behavior incentive further provides an opportunity for members to reduce their required monthly premium by half.

b. Emergency Department (ED) Utilization Graduated Copays

Comment Summary: Comments for this proposed provision included uncertainty on how a member's first and second ED visit would be determined and how this will be done in a timely manner, a perceived high amount of the copays from \$8 to \$25, the methodology for collection of the copay, and worry that members may avoid ED utilization even in cases when that level of care is appropriate. Suggestions submitted include only charging

members for non-emergent use of the ED and, accordingly, clearly defining the definition of non-emergent ED utilization, lowering the cost of copays, and developing a collection mechanism that will not burden ED providers in providing care or prevent members from receiving care at the time they are at the ED. Many advocates shared that there are certain populations who are more likely to need necessary ED care due to their conditions and that therefore, they should be exempt from this copay requirement. Populations mentioned often include individuals with multiple chronic conditions, cancer, HIV/AIDS, and those with low or no income. Many comments also stated that they encourage DHS to educate members on the appropriate use of medical facilities.

Wisconsin DHS Response: The majority of comments regarding ED utilization addressed the difficulty in identifying a member's first and subsequent visits. DHS has revised this request and is now proposing an \$8 copay for each ED visit. One amount will be a clearer policy for all stakeholders to understand and administer. Additionally, this change in policy still provides an opportunity for members to understand health care value and seek care in the appropriate setting. DHS maintains the collection of this copay will appropriately follow federal regulations that cost-sharing not exceed 5 percent of household income.

In regard to providing treatment, DHS would like to clarify that payment is not a requirement for service.

4. 48-month Time Limit with a Work Component

Comment Summary: Commenters expressed concern over posing a time limit on eligibility and disrupting continuity of care for members. Particularly, comments mentioned how certain populations, such as individuals with mental health conditions and those with cancer or terminal illnesses, will not be able to meet the work requirement and therefore will reach the time limit and lose coverage for a period of time. Advocates also note that although members receiving Social Security Disability Insurance (SSDI) are exempt from this proposed policy, the definition of the disability to receive SSDI is much narrower than that found under Section 504 of the Rehabilitation Act and the Americans with Disabilities Act. These individuals with disabilities may not qualify as "unable to work" and therefore will lose BadgerCare coverage for some time. It was noted that obtaining SSDI is a process that can take years. Losing coverage, even for six months, is detrimental to the health of the stated populations and will increase ED utilization and uncompensated care in the view of multiple commenters. Overall, commenters argued that losing coverage for any period of time due to nonpayment should be revised. Alternative consequences suggested include enrolling members into a lesser benefit plan or having members participate in educational programs/case management.

Many comments also addressed the work component and whether such a policy is effective, citing national and Wisconsin data. Also, commenters indicated that allowing individuals to maintain health care coverage better allows them to obtain and maintain employment. While some comments suggested completely removing the 48-month time limit and work component, other comments suggested reducing the 80-hour-per-month requirement. Many comments stated an appreciation of the exemption list from the work component and, accordingly, the time limit. However, there were a number of commenters who requested clarification on

whether those exempt from the work component are also exempt from the proposed time limit. Additionally, commenters suggested more exemptions, including for individuals who are homeless, have multiple chronic conditions, have cancer, HIV/AIDS, and are domestic violence victims. Furthermore, commenters suggested additions to fulfilling the work component and the inclusion of those actively seeking work and time volunteering.

Wisconsin DHS Response: A significant number of comments addressed this proposed policy and the implications it would have on members. DHS is required to submit a 48-month time limit request as directed by Act 55. The work component has been added in consideration of members who are working but whose income remains below 100 percent of FPL and who do not have access to health care coverage. DHS has also included exemptions to this policy as we understand there are populations where working may not be feasible. Lastly, DHS included a request with this policy that allows members to regain benefits after six months.

As some commenters noted, a substantial percentage of members work or go to school, and another portion meet the listed exemptions. This leaves a small percentage of members who naturally churn in and out of BadgerCare or who remain on BadgerCare for a longer period of time and are unable to find work. For the latter population, DHS aims to offer support in not only providing health care coverage for these members, but also encouraging them to engage in their communities. With this in consideration, the work requirement can be satisfied through not only actively working, but also job training. Additionally, comments include suggestions to add performing community service and actively seeking work as qualified activities. DHS will consider these items in our discussions with CMS and when developing an operational protocol.

5. Substance Abuse Identification and Treatment

Comment Summary: The majority of commenters acknowledged the addiction crisis in the state and the need to treat individuals with substance use disorder (SUD). A number of commenters expressed that drug screening and testing are unlawful and ineffective ways to identify individuals with substance use disorder. They stated that implementing this requirement as a condition of eligibility further stigmatizes SUD and will be a barrier to individuals obtaining health care coverage and receiving treatment not only for substance abuse, but other medical conditions.

In regard to the methodology used to screen and test individuals, providers and advocates recommend that screening should occur in a provider setting using an established tool, such as the Screening, Brief Intervention, and Referral to Treatment (SBIRT). Some commenters stated that having a provider administer drug screening using an established screening tool creates a safe setting for individuals and will lead to a higher likelihood of identifying those with SUD. As for drug testing, other than opposition to the requirement, suggestions include allowing individuals to use results from other state-mandated testing to avoid duplication of resources and additional burden on individuals.

In regard to treatment, many commenters expressed concern that requiring treatment for individuals who test positive for a drug is a matter of medical ethics and that forcing treatment

is an ineffective method to help individuals participate and complete a treatment program. Additionally, advocates and providers indicated that SUD should be treated as a chronic condition and that DHS should not expect an individual who completes one treatment program to be drug free or result in long-term recovery. Similarly, many commenters shared that treatment should be allowed the same priority for individuals who do not screen or test positive but who feel that they need treatment.

A larger issue of treatment capacity in the state was widely mentioned in comments. Commenters noted capacity issues throughout the state and that this needs to be addressed to fulfill the goal that members will be given treatment and not be disenrolled. Often, individuals must wait to receive treatment, and it would be unfair if this waiting time results in a member losing coverage.

Wisconsin DHS Response: DHS received substantive feedback on this proposed policy. General opposition to drug screening and testing as a condition of eligibility and specific suggestions for improvement were heard. DHS will consider the proposed policy implementation options should the policy be approved.

Advocates and providers stressed that if members lose benefits for six months for refusal to complete a treatment program, this may create a barrier to access care when they may become ready to enter treatment during those six months. In response, DHS has removed the six-month restrictive reenrollment period to address these concerns. This will allow individuals to receive timely treatment when they are ready. Additionally, DHS will follow evidence-based practice and allow members multiple opportunities to enter treatment. Evidence supports that members are much more likely to complete treatment when they enter voluntarily rather than as a condition of eligibility and when they are given multiple opportunities to attempt, fail, and reenter treatment.

Commenters also voiced that those who express a desire to enter treatment should be able to do so regardless of if they screen or test positive. In response, DHS has revised the amendment and is now proposing to allow members who indicate they are ready for treatment on their screening questionnaire to skip the drug test and access treatment. We believe doing so will promote the member's choice to positively address their substance use disorder without subjecting them to an unnecessary test.

6. Expansion of Residential Treatment

Comment Summary: Overall, comments were in support of the amendment's request to expand access to residential services at an IMD. Some advocates, providers, and other stakeholders did note that DHS must continue to invest in behavioral health in the community and address capacity issues through sufficient reimbursement, workforce development, and minimization of administrative burdens. Some comments stated that the IMD waiver should be expanded while others expressed a desire for a narrow focus.

Wisconsin DHS Response: DHS appreciates the support for this proposed waiver expenditure and will continue to work on initiatives to address substance use disorder and behavioral health services in the state.

7. 2.1 Tribal Consultation Comment Summary

Comments received during the Tribal Consultation on May 1, 2017, along with comments received throughout the 30-day public comment period from Tribal Governments, are summarized below.

Tribal Government Comment Summary: Comments from tribes were expressive of concerns relating to whether tribal members are exempt from the proposals included in the draft amendment application and the perceived negative impact that the proposals would have on American Indians/Alaska Natives (AI/AN) Medicaid beneficiaries if there is no exemption. Commenters expressed concern that the proposed amendments will result in tribal members being disenrolled from Medicaid or not applying for Medicaid coverage. Concerns were raised that this will increase reliance on Indian Health Services, which has insufficient funding and relies on Medicaid and Medicare.

Concern was noted regarding the 48-month time limit and work component. Members of the tribes generally live in areas of high unemployment and poor access to state employment programs. It will be especially difficult for tribal members to meet work requirements or demonstrate they meet requirements in the eyes of some commenters. Additionally, tribal governments state that enforcing the work component is inconsistent with federal trust responsibility to provide health care access.

In regard to substance abuse identification and treatment, the tribal governments express that this additional eligibility requirement will steer tribal members from getting Medicaid coverage. The tribal governments agree that substance abuse is an important issue to address and offered a suggestion that the tribes could work with DHS on screening their citizens to identify individuals needing SUD treatment. This process would be voluntary for members and administered by the tribes.

For the proposed policies that impact cost-sharing (monthly premiums and ED copays), the tribes noted that Congress has exempted AI/ANs from cost-sharing and that this amendment proposal should state this exemption as well.

Unrelated to any particular proposed policy in the amendment, tribes that submitted formal letters referenced the CMS State Health Official Letter (SHO) and would like to consult with DHS on ways to increase reimbursement at 100 FMAP for services received through the HIS and tribal health care providers. There were also requests for tribal consultation before the waiver amendment application is submitted.

Wisconsin DHS Response: DHS appreciates all comments from tribes received at the tribal consultation meeting and through other communication modes. DHS will work with tribes to address concerns as discussions occur with CMS and details are worked out for any approved policies.

DHS would like to clarify that current copayment policies for BadgerCare will remain in place, and therefore, tribal members will be exempt from the following proposed cost-sharing policies: monthly premiums and ED copays.

Additionally, a tribal consultation was conducted on May 1, 2017, at Wausau, Wisconsin. The proposed waiver amendment was an agenda item during the quarterly scheduled meetings with tribal health directors. This process follows requirements found in the Section 1115 waiver submission regulations and Wisconsin’s approved Medicaid State Plan regarding tribal consultation.

7.2.2 Consideration of Public Comments in Final Waiver

As stated in the previous subsection, each comment that was submitted to DHS through either public hearings, the waiver amendment webpage, mail, or voicemail was reviewed as the final waiver amendment submission was developed. Embedded in our response to the comment summaries, DHS has stated where revisions have been made in the final application as a result of consideration of comments and suggestions received from the public. Below is the list of changes/clarifications that have been made to the final waiver amendment application:

Policy Changes

Table 6. Changes Made in the Final Application

Policy Area	Draft Application	Changes made in the Final Application
Monthly Premiums	Four premium tiers (on household basis): 0-20% FPL: No premium 21-20% FPL: \$1 51-80% FPL: \$5 81-100% FPL: \$10	Two premium tiers (on household basis): 0-50% FPL: No premium 51-100% FPL: \$8
ER Utilization Copay	Graduated copay: \$8 for first ER visit and \$25 for subsequent ER visits within a 12-month period	\$8 copay for any ER visit
Substance Abuse Identification and Treatment	The consequence for refusal to complete drug treatment is the member is ineligible for BadgerCare benefits and may reapply for benefits after a six-month period. Individuals whose answers on the screening questionnaire indicate possible abuse of a controlled	The consequence for refusal to complete drug treatment is the member is ineligible for BadgerCare benefits but may reapply for benefits at any time the member consents to treatment. Allow members multiple opportunities to enter treatment and remove the six-month lockout

Policy Area	Draft Application	Changes made in the Final Application
	substance shall be required to undergo a test for the use of a controlled substance.	<p>period.</p> <p>Allow individuals who express a desire to enter treatment on the screening questionnaire to skip the drug test and enter treatment.</p>

Policy Clarifications

- Forty-eight-month time limit with work component: Those individuals exempt from the work requirement per the list provided in the application are also exempt from the 48-month time limit.
- Cost-sharing: In following current policy, the AI/AN population is exempt from monthly premiums and ER utilization copays.

8.0 Demonstration Administration

Wisconsin’s point of contact for this demonstration waiver amendment is as follows:

Name and Title: Michael Heifetz, Medicaid Director
 Phone Number: 608-266-5151
 Email Address: michaelg.heifetz@dhs.wisconsin.gov

Wisconsin Department of Health Services

Section 1115 BadgerCare Reform Demonstration Project Waiver Amendment

Overview

The Department of Health Services (DHS) intends to submit an application to the Centers for Medicare and Medicaid Services (CMS) on May 26, 2017, requesting an amendment to certain provisions of its Section 1115 Demonstration Waiver, known as the BadgerCare Reform Demonstration Waiver. DHS is requesting the amendment based on changes in state law under 2015 Wisconsin Act 55. DHS must obtain approval from CMS before these changes can take effect.

Specific proposed changes to the childless adult (CLA) population include:

1. Monthly Premiums: Establishing monthly premiums help to increase the sustainability and value of health care in the state. Monthly premiums will range from \$1 to \$10 per household according to household income. Members with household incomes of 0 to 20 percent of the federal poverty level will not have a monthly premium.

2. Healthy Behavior Incentives: Members will have the opportunity to have their monthly premiums reduced by 50 percent if they engage in healthy behaviors. Those engaged in behaviors that increase their health risk will owe the full standard premium. Additionally, to promote appropriate use of health care services and behavior that is mindful of health care value, members who utilize the emergency room (ER) will be responsible for an \$8 copay for the first visit and a \$25 copay for subsequent visits over a 12-month period.

3. Health Risk Assessment (HRA): The HRA is a questionnaire that will be used to identify healthy behavior and health risks for improved understanding of the health needs of members. HRA completion is not a condition of eligibility; however, members will pay the full standard premium until they complete the HRA.

4. Time Limit on Medicaid Eligibility: This policy is a 48-month eligibility limit for members using a cumulative formula. After 48 months of enrollment, a member will not be eligible for health care benefits for six months. The time in which a member is working or participating in an employment and training program for at least 80 hours a month will not be included in their 48-month eligibility limit. This work component applies to members ages 19-49. Exemptions from the work component and time limit will align with the FoodShare Employment and Training (FSET) program (for example, individuals with mental illness, disabilities, and full-time student). Members over age 49 will not be subject to the 48-month eligibility limit.

5. Substance Abuse Identification and Treatment: Substance Use Disorder (SUD) is a significant public health risk and a barrier to health, welfare, and economic achievement of residents. The policy requires individuals to complete a drug screening assessment and, if indicated, a drug test, but individuals will not be ineligible for benefits for testing positive. Individuals who do test positive for a drug will be referred to a SUD treatment program. Members who fail to complete a drug screening assessment or drug test will be ineligible for benefits until

the requirement is completed. Refusal to participate in a SUD treatment program will result in ineligibility for benefits for six months.

Proposed benefit change for all BadgerCare Plus and Medicaid members:

6. Residential Treatment Coverage: Expanding treatment for SUD is critical to combating a statewide drug abuse epidemic. Under current policy, WI Medicaid does not provide full coverage of residential SUD treatment. DHS recognizes the barrier this presents for individuals who require SUD treatment and is designing a benefit to provide full coverage of residential treatment. In order to effectively implement this benefit, however, federal Medicaid funding must be made available to reimburse residential SUD treatment for individuals in facilities that qualify as institutions for mental diseases (IMD). As such, DHS is requesting a residential SUD treatment waiver of the federal exclusion for IMD reimbursement. Additionally, DHS is requesting a waiver of the 15-day limit for IMD coverage found in Medicaid managed care regulations.

Public Comment

Providing information and obtaining input on changes from the public is of high importance for DHS as we prepare to submit the amendment request. By law, you have the opportunity to review the official waiver amendment application and provide comments for 30 days starting on April 19, 2017, and ending on May 19, 2017. You may also provide comments through written or verbal statements made during public hearings (see below). Public comments will be included in the waiver request submitted to CMS on May 26, 2017, and will be available on DHS's website at the address listed below.

Public Hearings

Wednesday, April 26, 2017
11:00 a.m. – 2:00 p.m.
Northcentral Technical College
Auditorium 1004
1000 W. Campus Dr.
Wausau, WI 54401

Monday, May 1, 2017
4:00 p.m. – 7:00 p.m.
Milwaukee Center for Independence
MCFI Main Campus, Harry and Jeanette Weinberg Building
2020 W. Wells St.
Milwaukee, WI 53233

Copies of Waiver Documents

Copies of waiver documents, including the full public notice, which will be posted on April 19, 2017, and the final waiver amendment application once complete, may be obtained from DHS at no charge by downloading the documents at <https://www.dhs.wisconsin.gov/badgercareplus/waivers-cla.htm> or by contacting Al Matano at:

Mail: Al Matano
Division of Medicaid Services
P.O. Box 309
Madison, WI 53707-0309
Phone: 608-267-6848
Fax: 608-266-3205
Email: alfred.matano@dhs.wisconsin.gov

Written Comments

Written comments on the proposed changes are welcome and will be accepted from April 19, 2017, through May 19, 2017. Written comments may be sent to the Division of Medicaid Services at:

Fax: 608-266-1096
Email: wisconsin1115clawwaiver@dhs.wisconsin.gov
Mail: P.O. Box 309, Madison, WI 53707-0309

Public Notice
Wisconsin Department of Health Services
BadgerCare Reform Demonstration Project Waiver Amendment

I. Overview

In accordance with federal law, the Wisconsin Department of Health Services (DHS) must notify the public of its intent to submit to the Centers for Medicare and Medicaid Services (CMS) any new 1115 demonstration waiver project, extension, or amendment of any previously approved demonstration waiver project or the ending of any previously approved expiring demonstration waiver projects. DHS must provide an appropriate public comment period prior to submitting to CMS the new, extended, or amended 1115 demonstration waiver application.

This notice meets the federal requirement to notify the public that DHS intends to submit a request for amendments to the BadgerCare Reform Demonstration Project Waiver to CMS on May 26, 2017. The public can review the official waiver amendment request and provide comments for 30 days through written or verbal statements made at the following public hearings:

Wednesday, April 26, 2017
11:00 a.m. – 2:00 p.m.
Northcentral Technical College
Auditorium 1004
1000 W. Campus Dr., Wausau, WI 54401

Monday, May 1, 2017
4:00 p.m. – 7:00 p.m.
Milwaukee Center for Independence
MCFI Main Campus, Harry and Jeanette Weinberg Building
2020 W. Wells St., Milwaukee, WI 53233

Comments will be considered to determine if changes should be made to the waiver request but will not impact proposed or enacted state and federal law. In addition, all public comments will be communicated to the U.S. Department of Health and Human Services (HHS) as part of the final waiver amendment application.

Accessibility

English

DHS is an equal opportunity employer and service provider. If you need accommodations because of a disability or need an interpreter or translator, or if you need this material in another language or in an alternate format, you may request assistance to participate by contacting Al Matano at 608-267-6848. You must make your request at least seven days before the activity.

Spanish

DHS es una agencia que ofrece igualdad en las oportunidades de empleo y servicios. Si necesita algún tipo de acomodaciones debido a incapacidad o si necesita un interprete, traductor o esta información en su propio idioma o en un formato alterno, usted puede pedir asistencia para participar en los programas comunicándose con Kim Reniero al número 608-267-7939. Debe someter su petición por lo menos 7 días de antes de la actividad.

Hmong

DHS yog ib tus tswv hauj lwm thiab yog ib qhov chaw pab cuam uas muab vaj huam sib luag rau sawv daws. Yog koj xav tau kev pab vim muaj mob xiam oob qhab los yog xav tau ib tus neeg pab txhais lus los yog txhais ntaub ntawv, los yog koj xav tau cov ntaub ntawv no ua lwm hom lus los yog lwm hom ntawv, koj yuav tau thov kev pab uas yog hu rau Al Matano ntawm 608-267-6848. Koj yuav tsum thov qhov kev pab yam tsawg kawg 7 hnub ua ntej qhov hauj lwm ntawd.

II. Background

The State of Wisconsin reimburses providers for services provided to Medical Assistance recipients under the authority of Title XIX of the Social Security Act and Chapter 49 of the Wisconsin Statutes. This program, administered by DHS, is called Medical Assistance (MA) or Medicaid. In addition, Wisconsin has expanded this program to create the BadgerCare Plus program under the authority of Title XIX and Title XXI of the Social Security Act and Chapter 49 of the Wisconsin Statutes. Federal statutes and regulations require that a state plan be developed that provides the methods and standards for reimbursement of covered services. A plan that describes the reimbursement system for the services (methods and standards for reimbursement) is now in effect.

Section 1115 of the Social Security Act provides the Secretary of HHS broad authority to authorize research and demonstration projects, which are experimental or pilot, or demonstration projects likely to assist in promoting the objectives of the Medicaid statute. Flexibility under section 1115 is sufficiently broad to allow states to test substantially new ideas of policy merit. In 2013, Wisconsin requested and received approval of the BadgerCare Reform Demonstration Project Waiver from the HHS Secretary. Effective January 1, 2014, Wisconsin was authorized to provide coverage to adults without dependent children who have attained the age of 19 years old and have not yet attained the age of 65 years old with Medicaid coverage so long as their family income does not exceed 100 percent of the federal poverty level (FPL). Additionally, Wisconsin began requiring a monthly premium for parents and caretakers' relatives who qualify for transitional medical assistance.

The approved demonstration's special terms and conditions allow Wisconsin to submit an application for an amendment to the current waiver. Under 2015 Wisconsin Act 55 (biennial budget), DHS is required to submit to HHS an amendment to the existing demonstration waiver that authorizes DHS to implement policies specific to the childless adult population. The proposed policy changes include:

1. Establish monthly premiums.
2. Establish lower premiums for members engaged in healthy behaviors.

3. Require completion of a health risk assessment.
4. Limit a member's eligibility to no more than 48 months.
5. Require, as a condition of eligibility, that an applicant or member complete a drug screening, and if indicated, a drug test.

Policies that are not required by Act 55 and that are also included in the waiver amendment application include:

1. Charge an increased copayment for emergency department utilization for childless adults.
2. Establish a work component for childless adults.
3. Provide full coverage of residential Substance Use Disorder (SUD) treatment for all BadgerCare Plus and Medicaid members.

III. Project Goals

- Ensure that every Wisconsin resident has access to affordable health insurance and reduce the state's uninsured rate.
- Create a medical assistance program that is sustainable so a health care safety net is available to those who need it most.
- Help more Wisconsin citizens become independent and rely less on government-sponsored health insurance.
- Increase members' responsibility and investment in their health care choices.
- Empower members to become active consumers of health care services to help improve their health outcomes.
- Design a medical assistance program that aligns with commercial health insurance design to support members' transition from public to commercial health care coverage.
- Establish greater accountability and improved health care value.
- Expand the use of integrated health care for all individuals.

IV. Project Description

This amendment is a result of the Wisconsin 2015-2017 Biennial Budget (Act 55), which requires DHS to amend the BadgerCare Reform Demonstration Project in order to apply new policies to the childless adult population. Wisconsin seeks to demonstrate that building on private sector health care models and implementing innovative initiatives will lead to better quality health care at a sustainable cost for the childless adult population while promoting individual responsibility. The amendment policies align with what the majority of citizens experience in the private market and aim to improve health outcomes for the demonstration population by providing members and their health care providers with tools and practices that promote healthy lifestyles. The following dialogue outlines specific strategies that will be implemented for the childless adult population to meet these goals. All of the strategies will be monitored to determine their impact.

Build on Private Sector Health Care Models

This amendment aims to more closely align the program for childless adults with the private health insurance marketplace by requiring members to pay premiums toward their health care coverage. These out-of-pocket requirements are designed to prepare members for the norms of the private marketplace and ease transitions from public to private insurance.

Wisconsin believes that in addition to the long-term value to members of aligning with the private system, establishing premiums will encourage members to place increased value on their health care and utilize it more effectively. Preventive care service utilization is expected to increase as members seek to utilize appropriate health care services. High costs related to emergency department usage may decline since health care needs will be met before conditions reach the level that require an emergency department visit.

In parallel to familiarizing childless adults with private sector health care practices, Wisconsin encourages Medicaid as a temporary solution rather than a replacement for employer-sponsored and private health insurance as a long-term coverage source. The amendment seeks to implement time-limited eligibility to meet this objective. However, Wisconsin also aims to provide members with the support and tools needed to obtain a full-time job that offers employer-sponsored insurance. Accordingly, the time that a member is working or participating in an employment training program for at least 80 hours a month will not count toward his or her 48-month time limit.

Promote Healthy Behaviors

Promoting and incentivizing healthier lifestyles is a main focus of this demonstration. Under the amendment, a health risk assessment will be created and utilized. The health risk assessment will identify the health needs of the population and provide an opportunity for members to reduce their monthly premiums. Those assessed as having healthy behaviors will see their monthly premiums reduced by half, while members identified as engaging in a health risk behavior will pay the standard premium according to what income tier they fall within. This practice will incentivize members to proactively invest in their health care and promote healthier lifestyle choices. Furthermore, identifying members engaging in health risk behaviors allows the member, health plan, and provider to focus on managing these behaviors and their associated health effects.

Similarly, to promote appropriate use of health care services and behavior that is mindful of health care value, members who utilize the emergency department will be responsible for a graduated copay. We believe this will help members understand the importance of choosing the appropriate care in the appropriate setting.

Support and SUD and Treatment Needs

Wisconsin has and continues to make strides in addressing the substance use epidemic in the state. To make further inroads in helping our residents recover from substance use, Wisconsin will institute a drug screening/testing program for the childless adult population. The goal of this proposal is to identify members with unmet SUD treatment needs and connect those individuals to appropriate resources. Several benefits of drug screening are expected. Identifying drug use will allow Wisconsin to provide treatment to those who may need it. Successful treatment will

further enable members to live healthier lives, succeed in society, recognize gainful employment, and may lower overall program costs.

A key component in implementing this initiative is gaining approval to receive federal funds for the creation of a new residential SUD treatment benefit. Wisconsin is seeking a waiver of the federal institution for mental disease (IMD) exclusion to allow coverage of medically necessary residential SUD treatment services for up to 90 days for all BadgerCare Plus and Medicaid members. Appropriate and accessible care is critical to helping members receive timely and sufficient care to achieve and maintain recovery.

V. Childless Adults Eligibility and Coverage

Outlined below are the current Medicaid eligibility and coverage standards for childless adults that describe the specific proposed changes sought for this demonstration population through this waiver amendment request.

Current Program: Under the authority of an 1115(a) demonstration waiver, Wisconsin's BadgerCare Reform Demonstration Project covers non-pregnant, childless adults, between ages 19 and 64, with income that does not exceed 100 percent of the FPL. These individuals are not pregnant or qualified for any other Medicaid, Medicare, or Children's Health Insurance Program (CHIP).

The waiver demonstration allows Wisconsin to provide state plan benefits, other than family planning services and tuberculosis-related services, to childless adults who have household income that does not exceed 100 percent of the FPL. Cost sharing for the childless adult population is the same as that indicated in the Medicaid state plan. The focus for this population is to improve health outcomes, reduce unnecessary services, and improve the cost effectiveness of Medicaid services.

Amendment Proposal: Through a waiver amendment, Wisconsin would establish new policies for the childless adult population. The benefit package and delivery system for the demonstration population would remain the same.

Policy 1: Monthly Premiums

Establishing monthly premiums help to increase the sustainability and value of health care in the state. The amount of the premium will be divided into four income tiers:

	Household Income	Monthly Premium Amount
Tier 1	0 to 20 percent of the FPL	No premium
Tier 2	21 to 50 percent of the FPL	\$1 per household
Tier 3	51 to 80 percent of the FPL	\$5 per household
Tier 4	81 to 100 percent of the FPL	\$10 per household

The proposed monthly premium requirement will not affect the current copayment policies, which will remain in place. Wisconsin will notify members who do not pay billed premiums,

thus providing opportunities for members to pay before these provisions are applied. Once members are no longer eligible for this reason, they may not be eligible for health care benefits again for up to six (6) months. Re-enrollment during those six-months will not be allowed until all outstanding premiums are paid. Members may reenroll at any time prior to the end of the six months by paying owed premiums. After the six-month period, individuals may gain eligibility for health care benefits again if they meet all program rules, even if they have unpaid premiums. Premiums will be calculated when a member reports a change in income or at annual eligibility redetermination. Third-party contributors will be permitted to make payments on a member's behalf.

Policy 2: Healthy Behavior Incentives

This policy includes using a healthy behaviors incentive model. For members who are engaging in healthy behaviors, premiums will be reduced by half. For members who are found as having a health risk behavior but who are actively managing their behavior and/or have a condition beyond their control, the premium will be reduced by half. For members found as having a health risk behavior who are not actively managing their behavior(s), the standard premium will be applied. Health risk behavior measures include alcohol consumption, body weight, illicit drug use, seatbelt use, and tobacco use. There will be a threshold identified that determines when these behaviors are health risks.

Additionally, to promote appropriate use of health care services and behavior that is mindful of health care value, members who utilize the emergency department will be responsible for an \$8 copay for the first visit and a \$25 copay for subsequent visits during a 12-month period. Providers will be responsible for collecting copayments from members but cannot refuse treatment for nonpayment of the copay.

Policy 3: Health Risk Assessment

This policy includes a health risk assessment (HRA) that will be used to identify healthy behavior and health risks for improved understanding of the health needs of these members. The HRA is expected to be completed at enrollment and again at annual renewal, and it will be the tool used to determine if a member is eligible for rewards for engaging in healthy behavior. HRA completion is not a condition of eligibility; however, members will pay the full standard premium until they complete the HRA.

Policy 4: Time Limit on Medicaid Eligibility

This policy is a 48-month eligibility limit for members using a cumulative formula. After 48 months of enrollment, a member will not be eligible for health care benefits for six months. The time a member is working or taking part in an employment and training program for at least 80 hours a month will not be included in their 48-month eligibility limit. This work component applies to members ages 19-49. Exemptions from the work component and time limit will align with the FoodShare Employment and Training (FSET) program (for example, individuals with mental illness, disabilities, and full-time students). Members who are over age 49 will not be subject to the 48-month eligibility limit.

Policy 5: Substance Abuse Identification and Treatment

This policy addresses the issues of SUD, which is a significant public health risk and a barrier to health, welfare, and economic achievement of residents. The goal of the drug screening and drug test is to identify individuals with unmet SUD treatment needs and connect them with appropriate treatment. The policy requires these individuals to submit to a drug screening assessment and, if indicated, a drug test. Individuals who do test positive for a drug without evidence of a valid prescription will be referred to a SUD treatment program and will continue to be eligible for all program benefits. Members who fail to complete a drug screening assessment or drug test will be ineligible for benefits until the requirement is completed. Refusal to participate in a SUD treatment program will result in ineligibility for benefits for six months.

Proposed Benefit Change for all BadgerCare Plus and Medicaid Members

Policy 6: Residential Treatment Coverage

Under current policy, residential substance abuse treatment is not fully covered, presenting a barrier to continuity of care and limiting access to appropriate levels of care for individuals with SUDs. Expanding treatment for SUD is critical to combating a statewide drug abuse epidemic. DHS recognizes the barrier this presents for individuals who require SUD treatment and is designing a benefit to provide full coverage of residential treatment. In order to effectively implement this benefit, however, federal Medicaid funding must be made available to reimburse residential SUD treatment for individuals in facilities that qualify as IMDs. As such, DHS is requesting a residential SUD treatment waiver of the federal exclusion for IMD reimbursement. Additionally, DHS is requesting a waiver of the 15-day limit for IMD coverage found in Medicaid managed care regulations. These waivers will ensure that appropriate treatment options are available for individuals with SUD.

VI. Budget and Cost Effectiveness Analysis

Waiver Population Enrollment and Expenditures

	Estimated				
	CY 2014	CY 2015	CY 2016	CY 2017	CY 2018
Enrollment	99,967	154,561	150,050	147,483	146,407
Expenditures	\$424,170,522	\$775,836,538	\$825,120,447	\$923,979,859	\$1,045,005,614

Approach to Ensuring Federal Budget Neutrality

Federal policy requires section 1115 waiver demonstrations be budget neutral to the federal government. This means that a demonstration should not cost the federal government more than what would have otherwise been spent absent the demonstration. Particulars, including methodologies, are subject to negotiation between DHS submitting the demonstration application and CMS.

To ensure budget neutrality for each federal fiscal year of this amendment to the current five-year BadgerCare demonstration, Wisconsin will continue to use a per-member per-month (PMPM) methodology specific to the Wisconsin childless adult population with income under

100 percent of the FPL, in the context of current federal and state law and with the appropriate, analytically sound baselines and adjustments. The demonstration will measure the financial impact to the program independent of enrollment fluctuations.

In establishing the baseline PMPM, historic enrollment and expenditure experience related to childless adults (managed care and fee-for-service) will be evaluated. This evaluation will accurately represent the primary baseline costs associated with this population and will include payments made under the actuarially sound, CMS-approved capitation rates.

Adjustments to reflect, as appropriate:

- Financial impact of collecting premiums coupled with healthy behavior incentives.
- Financial impact of collecting higher emergency department copays.
- Financial impact of 48-month eligibility. This may include estimated costs related to job training.
- Substance abuse identification and treatment will include modeled costs of treatment, including potential agreements with the federal government around residential SUD treatment at IMDs.
- Use of an analytically appropriate per capita trend factor. When demonstrating federal budget neutrality under a PMPM-based methodology, states typically use the national Medicaid-specific per trends reflected in the President's most recent proposed federal budget.
- Multiplying aggregate average annual PMPM figures by the State's applicable Federal Medical Assistance Percentage for benefits.
- Conversion of figures from state fiscal year or calendar year to a federal fiscal year.

VII. Hypothesis and Evaluation Parameters

Wisconsin will accordingly update the BadgerCare Reform Demonstration Project evaluation design to account for the amendment provisions.

The amended demonstration evaluation will include an assessment of the following hypotheses related to members' personal responsibility in their health care:

- Completion of an HRA and paying a premium will increase members' level of engagement in their health care choices.
- Increased emergency department copayments will motivate members to use the health care system more appropriately.
- Incentivizing employment and training will support members' transition to self-sufficiency.
- Access to full coverage of residential SUD treatment will lead to improved health and employment outcomes.
- Drug screening and testing will lead to improved health and employment outcomes.

The evaluation will analyze how the demonstration impacts access, outcomes, and costs. Comparisons will be examined between the covered childless adult population, prior waiver programs, and other BadgerCare populations.

A detailed evaluation design will be developed for review and approval by CMS. The evaluator will use relevant data from the BadgerCare program and its managed care organizations. This

may include eligibility, enrollment, claims, payment, encounter/utilization, chart reviews, and other administrative data. The evaluator may also conduct surveys and focus groups of beneficiaries and providers and other original data collection, as appropriate.

Both interim and final evaluations will be conducted to help inform DHS, CMS, stakeholders, and the general public about the performance of the demonstration. All evaluation reports will be made public and posted on the DHS website.

VIII. Specific Waiver and Expenditure Authorities

Wisconsin seeks waiver of the following requirements of the Social Security Act:

1. **Cost Sharing – Section 1902(a)(14) insofar as it incorporates 1916 and 1916A**
To the extent necessary to enable Wisconsin to charge premiums to the childless adult population with household incomes from 21 through 100 percent of the FPL.
2. **Comparability – Section 1902(a)(17)/Section 1902(a)(10)(B)**
 - To the extent necessary to enable Wisconsin to vary monthly premiums based on health behaviors and HRA completion.
 - To the extent necessary to enable Wisconsin to establish a time limit on eligibility for able-bodied childless adults between the ages of 19-49, while exempting other populations.
3. **Eligibility – Section 1902(a)(10)(A)**
 - To the extent necessary to enable Wisconsin to require the childless adult population, as a condition of eligibility, to complete a drug screening assessment and, if indicated, a drug test.
 - To the extent necessary to enable Wisconsin to limit a childless adult's eligibility to 48 cumulative months with exceptions as described in this waiver application.
4. **Reasonable Promptness – Section 1902(a)(3)/Section 1902(a)(8)**
 - To the extent necessary to enable Wisconsin to establish a restrictive re-enrollment period of six months for childless adults who are disenrolled for failure to pay premiums prior to annual re-enrollment, for exceeding the 48-month enrollment time limit, or for refusal to participate in a substance abuse treatment program if required.
5. **Cost Sharing for Emergency Department Utilization – Section 1916(f)**
 - To the extent necessary to enable Wisconsin to establish an emergency department copay of \$8 and subsequently \$25 over a 12-month period for the childless adult population.
6. **Costs Not Otherwise Matchable - Section 1905(a)(29)(B)**
 - Wisconsin requests that expenditures for providing residential SUD treatment in an IMD be regarded as expenditures under the State's Medicaid Title XIX State Plan.
 - Wisconsin requests that expenditures for providing residential SUD treatment in an IMD for members enrolled in managed care are allowable to the same extent as those for Medicaid members covered through fee-for-service.

- Wisconsin requests that expenditures related to costs associated with employment training as a covered benefit for the childless adults population be regarded as expenditures under the State's Medicaid Title XIX State Plan.

IX. Copies of Demonstration Project Waiver Documents

Copies of waiver documents, including the final waiver amendment application once complete, may be obtained from DHS at no charge by downloading the documents at <https://www.dhs.wisconsin.gov/badgercareplus/waivers-cla.htm> or by contacting Al Matano at:

Division of Medicaid Services
P.O. Box 309
Madison, WI 53707-0309
Phone: 608-267-6848
Fax: 608-266-3205
Email: Alfred.Matano@dhs.wisconsin.gov

X. Written Comments

Written comments on the proposed changes are welcome and will be accepted from April 19, 2017, through May 19, 2017. Written comments may be sent to the Division of Medicaid Services at:

P.O. Box 309
Madison, WI 53707-0309
Fax: 608-266-1096
Email: Wisconsin1115CLAWaiver@dhs.wisconsin.gov

Public comments will be included in the waiver request submitted to CMS on May 26, 2017, and will be available on DHS's website at the address listed above.



Section 1115 BadgerCare Reform Demonstration Project Waiver Amendment

Public Hearing

April 26, 2017

May 1, 2017

Wisconsin Department of Health Services



Join the Public Hearing Remotely (live)

- Webcast link available at:
 - <https://livestream.com/accounts/14059632/events/7313758> (Wausau, April 26, 2017)
 - <https://livestream.com/DHSWebcast/events/7314990> (Milwaukee, May 1, 2016)
- Dial in to the webcast for listening only:
 - 1-877-820-7831
 - Enter 907179 (participant passcode)
- Leave comments by voicemail until midnight at:
1-888-258-8997

April 26, 2017
May 1, 2017



Presentation Outline

- Purpose of Hearing
- Background
- Current Waiver
- Amendment Proposals
- Proposed Timeline
- Comments

3

April 26, 2017
May 1, 2017



Purpose of the Hearing

- Thank you for your attendance today.
- The purpose of this hearing is to gather comments from the public on the proposed amendment to the Wisconsin BadgerCare Reform Section 1115 Demonstration Waiver regarding the childless adult population.
- At the end of this presentation, you may ask questions and/or provide your comments. Please hold all comments until that time.

4

April 26, 2017
May 1, 2017



Current Waiver – Background

Starting January 1, 2014, the Center for Medicare and Medicaid Services (CMS) granted Wisconsin approval to:

- Cover the childless adult population with no waitlist for the first time in state history.
- Test the impact of providing Transitional Medical Assistance (TMA) to individuals who are paying premiums that align with Marketplace insurance.

April 26, 2017
May 1, 2017

5



Current Waiver – Childless Adult Population

- Defined as non-pregnant adults without dependent children ages 19 to 64.
- Household income limit up to 100 percent federal poverty level (FPL).
- Standard benefit plan coverage.
- Enrollment is not capped and is currently approximately 148,000.

April 26, 2017
May 1, 2017

6



State Legislation

- The Wisconsin 2015-2017 biennial budget (Act 55) requires the Wisconsin Department of Health Services (DHS) to submit to the federal Department of Health and Human Services an amendment to the BadgerCare Reform Demonstration Waiver.
- There are five policy changes pertaining only to the childless adult population that must be included in the amendment request.

April 26, 2017
May 1, 2017

7



Act 55 Amendment Proposals

- Establish monthly premiums.
- Establish lower premiums for members engaged in healthy behaviors.
- Require completion of a health risk assessment.
- Limit a member's eligibility to no more than 48 months.
- Require, as a condition of eligibility, that an applicant or member complete a drug screening, and, if indicated, a drug test.

April 26, 2017
May 1, 2017

8

Non-Act 55 Amendment Proposals



- Charge an increased copayment for emergency department utilization for childless adults.
- Establish a work component for childless adults.
- Provide full coverage of residential substance use disorder treatment for all BadgerCare Plus and Medicaid members.

9

April 26, 2017
May 1, 2017

Project Objectives



- Ensure that every Wisconsin resident has access to affordable health insurance to reduce the state's uninsured rate.
- Create a medical assistance program that is sustainable so a health care safety net is available to those who need it most.
- Expand the use of integrated health care for all individuals.
- Establish greater accountability for improved health care value.

10

April 26, 2017
May 1, 2017



Project Objectives

- Empower members to become active consumers of health care services to help improve their health outcomes.
- Help more Wisconsin citizens become independent and be able to rely less on government-sponsored health insurance.
- Design a medical assistance program that aligns with commercial health insurance design to support members' transition from public to commercial health care coverage.

April 26, 2017
May 1, 2017

11



Monthly Premiums

- Premiums will help better align the member experience with that of private health care in Wisconsin.
- Requiring payments directly from members will help to actively engage members in appropriate health care utilization and value.
- If approved, the following premium policy will apply to the childless adult population:

April 26, 2017
May 1, 2017

12



Monthly Premiums

Household Income	Monthly Premium Amount
0 to 20 percent of FPL	No premium
21 to 50 percent of FPL	\$1 per household
51 to 80 percent of FPL	\$5 per household
81 to 100 percent of FPL	\$10 per household

13

April 26, 2017
May 1, 2017



Premium Payment Requirements

- Members with outstanding premiums will not be eligible for annual re-enrollment for six months or until all premiums are paid in full.
- Premiums can be paid at anytime during the six-month period to regain eligibility.
- After the six-month period, individuals may regain eligibility even if they have unpaid premiums.
- Premiums may be paid by third parties, including nonprofits, etc.

14

April 26, 2017
May 1, 2017



Healthy Behavior Incentives

- Members will be provided the opportunity to reduce their premiums by choosing healthy behaviors.
- Rewarding members' healthy behavior will empower them to be actively engaged in their health care.
- It will also improve accountability and lower health care costs and follow similar programs adopted in the private market.
- Those engaging in healthy behavior would have the standard premium reduced by 50%.

15

April 26, 2017
May 1, 2017



Health Risk Assessment (HRA)

An HRA will be required on an annual basis.

- Members will self-attest to their behaviors.
- If a member does not complete the HRA, then the member would be subject to the standard premium.
- Members can self-attest to their active management of a health risk behavior.
- Members can self-attest to an underlying health condition that affects a health risk measure.

16

April 26, 2017
May 1, 2017



Healthy Behavior Incentives

Health Risk Behaviors	Risk Measurement	Identification Tool
<ul style="list-style-type: none"> Alcohol consumption Body weight Illicit drug use Seatbelt use Tobacco use 	Threshold of when a behavior is determined as posing a health risk will follow national health organizations standards.	HRA

17

April 26, 2017
May 1, 2017



Healthy Behavior Incentives

Reduced Premium (by half)	Standard Premium
<ul style="list-style-type: none"> Members not engaging in any health risk behaviors. Members engaging in health risk behavior(s) but who attest to actively managing their behavior. Members engaging in health risk behaviors(s) but who attest to having a condition beyond their control impacting the health risk measurement. 	Members engaging in health risk behavior(s) and not actively managing their behavior(s).

18

April 26, 2017
May 1, 2017

Emergency Department Copay



- To promote appropriate use of health care services and behavior that is mindful of health care value.
- Members who use the emergency department will pay an \$8 copay for the first visit and a \$25 copay for subsequent visits during a 12-month period.

19

April 26, 2017
May 1, 2017

Time Limit on Medicaid Eligibility



Aligns with program goals:

- Provides assistance to individuals most in need.
- Promotes employer-sponsored insurance.
- Helps people move from dependence to independence.
- Promotes work and training to move to nongovernment programs.

20

April 26, 2017
May 1, 2017



48-Month Eligibility Time Limit

- Members enrollment is limited to 48 months.
- The 48-month count will begin on the effective date of policy implementation for all childless adults currently enrolled in BadgerCare.
- For members who enroll in BadgerCare after the 48-month limit has been implemented, the time limit count will begin on the date of initial program enrollment.

April 28, 2017
May 1, 2017

21



48-Month Eligibility Time Limit

- After 48 months of enrollment, a member will not be eligible for health care benefits for six months.
- There will be exemptions to the 48-month count.

April 28, 2017
May 1, 2017

22



Work Component

- Members ages 19 to 49 who fulfill a work requirement while receiving Medicaid benefits will not have this enrollment time calculated in their 48-month eligibility time limit.
- The 48-month count will stop during the time a member works and/or receives job training for at least 80 hours per month.

23

April 26, 2017
May 1, 2017



Work Component

Aligns with program goals:

- Encourages members to seek work and reach self-sufficiency.
- Empowers citizens to obtain skills and training to secure full-time employment.
- Aligns with Wisconsin's FoodShare Employment and Training (FSET) program.

24

April 26, 2017
May 1, 2017

Exemptions From Work Component



- The member is diagnosed with a mental illness.
- The member receives Social Security Disability Insurance (SSDI).
- The member is a primary caregiver for a person who cannot care for himself or herself.
- The member is physically or mentally unable to work.

April 26, 2017
May 1, 2017

25

Exemptions From Work Component



- The member is receiving or has applied for unemployment insurance.
- The member is taking part in an alcohol or other drug abuse (AODA) treatment program.
- The member is enrolled in an institution of higher learning at least half-time.
- The member is a high school student age 19 or older attending high school at least half-time.

April 26, 2017
May 1, 2017

26

Substance Abuse Identification and Treatment



- Substance abuse is a major public health issue in Wisconsin and across the nation.
- Since 2013, 17 bills have been passed in Wisconsin that address substance abuse.
- In 2016, the Governor created the Task Force on Opioid Abuse to address these challenges.
- In 2017, 9 bills on substance abuse have passed the Assembly.
- Medicaid is Wisconsin's largest health care program and plays a key role in identifying affected individuals and assisting them with treatment.

27

April 26, 2017
May 1, 2017

Substance Abuse Identification and Treatment



Requires, as a condition of eligibility, that an applicant or member submit to a drug screening assessment and, if indicated, a drug test.

- Individuals will not lose coverage or eligibility if they test positive, as the policy goal is to connect those with substance use disorder to treatment.
- The drug screening assessment will be a questionnaire regarding members current and prior use of controlled substances.
- Screening will be completed at the time of application and annual redetermination.

28

April 26, 2017
May 1, 2017



Substance Abuse Identification and Treatment



Requirement	Impact of Requirement Results	Consequence for Refusal to Complete Requirement
Drug Screening Assessment	Negative Result: Eligible for health care benefits with no further action required Positive Result: Eligible for health care benefits AND required to submit to a drug test	Ineligible for health care benefits until the assessment is completed
Drug Test	Negative Result: Eligible for health care benefits with no further action required Positive Result: Eligible for health care benefits AND required to participate in substance abuse treatment	Ineligible for health care benefits until the drug test is submitted
Substance Abuse Treatment	Full completion of substance abuse treatment program	Ineligible for health care benefits and may reapply for benefits after a six-month period

29

April 26, 2017
May 1, 2017



Substance Use Disorder Residential Treatment



Under current federal policy, residential substance abuse treatment is not fully covered, presenting a barrier to continuity of care and limiting access to appropriate levels of care for individuals with substance use disorders.

30

April 26, 2017
May 1, 2017

Substance Use Disorder Residential Treatment



DHS is requesting the following for all BadgerCare Plus and Medicaid members:

- Residential substance use disorder treatment waiver of the federal exclusion for institution for mental disease (IMD) reimbursement.
- A waiver of the 15-day limit for IMD coverage found in Medicaid managed care regulations.

31

April 26, 2017
May 1, 2017

Budget Neutrality



- Federal policy requires Section 1115 demonstration waivers be budget neutral to the federal government.
- Wisconsin proposes to use a per-member per-month (PMPM) methodology to determine and achieve budget neutrality.

32

April 26, 2017
May 1, 2017



Proposed Timeline

Major Milestone	Tentative Date
Public Notice Issued	April 19, 2017
Public Hearings	April 26, 2017 May 1, 2017
Tribal Consultation	May 1, 2017
Public Comment Period Closed	May 19, 2017
Review Public Comments/Edit Draft Waiver Amendment Application	May 19 – May 26, 2017
Waiver Amendment Application Submitted to CMS	May 26, 2017
CMS Approval	By end of 2017
Amendment Effective Date	At least a year from CMS Approval

33

April 26, 2017
May 1, 2017



Providing Comments

To ensure an orderly and efficient process:

- Sign in if you would like to provide a comment during the meeting today.
- You will be given a number that will be called when it is your turn to speak.
- Speak into the microphone so you can be heard.
- Keep your comments to the topic at hand – the BadgerCare Reform Section 1115 Demonstration Waiver Amendment.
- You will have two minutes to speak.
- If you have written comments, leave them with the designated individual.

34

April 26, 2017
May 1, 2017



Comments

- All comments that are properly submitted will be given equal weight regardless of the method in which they are submitted.
- Comments may be submitted through May 19, 2017
 - Online: <https://www.dhs.wisconsin.gov/badgercareplus/waivers-cla.htm>
 - Email: Wisconsin1115CLAWaiver@dhs.wisconsin.gov
- Phone number for voicemail: 1-888-258-8997 (available until midnight tonight).

April 26, 2017
May 1, 2017

35



Comments

Comments may also be submitted by:

- Fax: 608-266-1096
- Mail:
 - Al Matano
 - Division of Medicaid Services
 - P.O. Box 309
 - Madison, WI 53707-0309

Note: You may provide comments in your desired language.

April 26, 2017
May 1, 2017

36



Nondiscrimination Statement

THE STATE OF WISCONSIN DEPARTMENT OF HEALTH SERVICES (DHS) complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. DHS does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

DHS:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as:
 - Qualified sign language interpreters
 - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Provides free language services to people whose primary language is not English, such as:
 - Qualified interpreters
 - Information written in other languages

If you need these services, contact Al Matano at:

Department of Health Services
 Division of Medicaid Services
 P.O. Box 309
 Madison, WI 53707-0309
 Telephone: 608-267-6848 (voice)
 Fax: 608-261-7792
 Email: Alfred.Matano@dhs.wisconsin.gov

April 26, 2017
May 1, 2017

37



Nondiscrimination Statement

If you believe that DHS has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with:

Department of Health Services
 Civil Rights Compliance
 Attn: Attorney Pamela McGillivray
 1 West Wilson Street, Room 651
 P.O. Box 7850
 Madison, WI 53707-7850
 Telephone: 608-266-1258 (voice), 711, or 1-800-947-3529 (TTY)
 Fax: 608-267-1434
 Email: DHSCRC@dhs.wisconsin.gov

You can file a grievance in person or by mail, fax, or email. If you need help filing a grievance, Pamela McGillivray is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at:

U.S. Department of Health and Human Services
 200 Independence Avenue SW
 Room 509F, HHH Building
 Washington, DC 20201
 Telephone: 1-800-868-1019, 1-800-537-7697 (TDD)

Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.

April 26, 2017
May 1, 2017

38



Language Assistance

- This presentation will be posted in English, Spanish, and Hmong at:
<https://www.dhs.wisconsin.gov/badgercarepl/us/waivers-cla.htm>.
- If you would like to see this presentation in your desired language, email Alfred.Matano@dhs.wisconsin.gov.

39

April 26, 2017
May 1, 2017



Language Assistance

- **ATTENTION:** Language assistance services, free of charge, are available to you. Call 1-808-267-8848.
- **ATENCIÓN:** si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-808-267-8848.
- **LUS CEEV:** Yog tias koj hais lus Hmoob, cov kev pab txog lus, muaj kev pab dawb rau koj. Hu rau 1-808-267-8848.
- **ACHTUNG:** Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 1-808-267-8848.
- **注意:** 如果您使用繁體中文, 您可以免費獲得語言援助服務。請致電 1-808-267-8848.
- **ВНИМАНИЕ:** Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода. Звоните 1-808-267-8848.
- **주의:** 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다. 1-808-267-8848 번으로 전화해 주십시오.
- **ध्यान दें:** यदि आप हिंदी बोलते हैं तो आपके लिए मुफ्त में भाषा सहायता सेवाएं उपलब्ध हैं। 1-808-267-8848 पर कॉल करें।

40

April 26, 2017
May 1, 2017



Language Assistance

- إذا كنت تتحدثا لغيرك اللغة، فإن خدماتنا لتلقي المساعدة اللغوية متوفرة لك بالمجان. اتصل برقم 1-808-267-6848 (رقم الهاتف لخدمة العميل ليكن محفوظاً).
- ໂປດສາບ: ຖ້າວ່າ ທ່ານເວົ້າພາສາອື່ນ, ການບໍລິການຊ່ວຍເຫຼືອດ້ານພາສາ, ໂດຍບໍ່ເສັຽຄ່າ, ແມ່ນມີຜິວມໃຫ້ທ່ານ. ໂທ 1-808-267-6848.
- ATTENTION : Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement. Appelez le 1-808-267-6848.
- Wann du [Deitsch (Pennsylvania German / Dutch)] schwetzsoht, kannsch du mitaus Koschte ebber gricke, ass dihr helft mit die englisch Sohprooch. Ruf selli Nummer uff: Call 1-808-267-6848.
- CHÚ Ý: Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn. Gọi số 1-808-267-6848.
- UWAGA: Jeżeli mówisz po polsku, możesz skorzystać z bezpłatnej pomocy językowej. Zadzwoń pod numer 1-808-267-6848.
- KUJDES: Nëse flitni shqip, për ju ka në dispozicion shërbime të asistencës gjuhësore, pa pagesë. Telefononi në 1-808-267-6848.
- PAUNAWA: Kung nagsasalita ka ng Tagalog, maaari kang gumamit ng mga serbisyo ng tulong sa wika nang walang bayad. Tumawag sa 1-808-267-6848.

April 26, 2017
May 1, 2017



Section 1115 BadgerCare Reform Demonstration Project Waiver Amendment

Tribal Consultation
May 1, 2017

Wisconsin Department of Health Services



Join the Public Hearing Remotely (live)

- Webcast link available at:
 - <https://livestream.com/accounts/14059632/events/7313758> (Wausau, April 26, 2017)
 - <https://livestream.com/DHSWebcast/events/7314990> (Milwaukee, May 1, 2016)
- Dial in to the webcast for listening only:
 - 1-877-820-7831
 - Enter 907179 (participant passcode)
- Leave comments by voicemail until midnight at:
1-888-258-8997

2

May 1, 2017



Presentation Outline

- Purpose of Hearing
- Background
- Current Waiver
- Amendment Proposals
- Proposed Timeline
- Comments

3

May 1, 2017



Purpose of the Hearing

- Thank you for your attendance today.
- The purpose of this hearing is to gather comments from the public on the proposed amendment to the Wisconsin BadgerCare Reform Section 1115 Demonstration Waiver regarding the childless adult population.
- At the end of this presentation, you may ask questions and/or provide your comments. Please hold all comments until that time.

4

May 1, 2017

Current Waiver – Background



Starting January 1, 2014, the Center for Medicare and Medicaid Services (CMS) granted Wisconsin approval to:

- Cover the childless adult population with no waitlist for the first time in state history.
- Test the impact of providing Transitional Medical Assistance (TMA) to individuals who are paying premiums that align with Marketplace insurance.

5

May 1, 2017

Current Waiver – Childless Adult Population



- Defined as non-pregnant adults without dependent children ages 19 to 64.
- Household income limit up to 100 percent federal poverty level (FPL).
- Standard benefit plan coverage.
- Enrollment is not capped and is currently approximately 148,000.

6

May 1, 2017



State Legislation

- The Wisconsin 2015-2017 biennial budget (Act 55) requires the Wisconsin Department of Health Services (DHS) to submit to the federal Department of Health and Human Services an amendment to the BadgerCare Reform Demonstration Waiver.
- There are five policy changes pertaining only to the childless adult population that must be included in the amendment request.

7

May 1, 2017



Act 55 Amendment Proposals

- Establish monthly premiums.
- Establish lower premiums for members engaged in healthy behaviors.
- Require completion of a health risk assessment.
- Limit a member's eligibility to no more than 48 months.
- Require, as a condition of eligibility, that an applicant or member complete a drug screening, and, if indicated, a drug test.

8

May 1, 2017

Non-Act 55 Amendment Proposals



- Charge an increased copayment for emergency department utilization for childless adults.
- Establish a work component for childless adults.
- Provide full coverage of residential substance use disorder treatment for all BadgerCare Plus and Medicaid members.

9

May 1, 2017

Project Objectives



- Ensure that every Wisconsin resident has access to affordable health insurance to reduce the state's uninsured rate.
- Create a medical assistance program that is sustainable so a health care safety net is available to those who need it most.
- Expand the use of integrated health care for all individuals.
- Establish greater accountability for improved health care value.

10

May 1, 2017



Project Objectives

- Empower members to become active consumers of health care services to help improve their health outcomes.
- Help more Wisconsin citizens become independent and be able to rely less on government-sponsored health insurance.
- Design a medical assistance program that aligns with commercial health insurance design to support members' transition from public to commercial health care coverage.

11

May 1, 2017



Monthly Premiums

- Premiums will help better align the member experience with that of private health care in Wisconsin.
- Requiring payments directly from members will help to actively engage members in appropriate health care utilization and value.
- If approved, the following premium policy will apply to the childless adult population:

12

May 1, 2017



Monthly Premiums

Household Income	Monthly Premium Amount
0 to 20 percent of FPL	No premium
21 to 50 percent of FPL	\$1 per household
51 to 80 percent of FPL	\$5 per household
81 to 100 percent of FPL	\$10 per household

13

May 1, 2017



Premium Payment Requirements

- Members with outstanding premiums will not be eligible for annual re-enrollment for six months or until all premiums are paid in full.
- Premiums can be paid at anytime during the six-month period to regain eligibility.
- After the six-month period, individuals may regain eligibility even if they have unpaid premiums.
- Premiums may be paid by third parties, including nonprofits, etc.

14

May 1, 2017



Healthy Behavior Incentives

- Members will be provided the opportunity to reduce their premiums by choosing healthy behaviors.
- Rewarding members' healthy behavior will empower them to be actively engaged in their health care.
- It will also improve accountability and lower health care costs and follow similar programs adopted in the private market.
- Those engaging in healthy behavior would have the standard premium reduced by 50%.

15

May 1, 2017



Health Risk Assessment (HRA)

An HRA will be required on an annual basis.

- Members will self-attest to their behaviors.
- If a member does not complete the HRA, then the member would be subject to the standard premium.
- Members can self-attest to their active management of a health risk behavior.
- Members can self-attest to an underlying health condition that affects a health risk measure.

16

May 1, 2017



Healthy Behavior Incentives

Health Risk Behaviors	Risk Measurement	Identification Tool
<ul style="list-style-type: none"> Alcohol consumption Body weight Illicit drug use Seatbelt use Tobacco use 	Threshold of when a behavior is determined as posing a health risk will follow national health organizations standards.	HRA

17

May 1, 2017



Healthy Behavior Incentives

Reduced Premium (by half)	Standard Premium
<ul style="list-style-type: none"> Members not engaging in any health risk behaviors. Members engaging in health risk behavior(s) but who attest to actively managing their behavior. Members engaging in health risk behaviors(s) but who attest to having a condition beyond their control impacting the health risk measurement. 	Members engaging in health risk behavior(s) and not actively managing their behavior(s).

18

May 1, 2017

Emergency Department Copay



- To promote appropriate use of health care services and behavior that is mindful of health care value.
- Members who use the emergency department will pay an \$8 copay for the first visit and a \$25 copay for subsequent visits during a 12-month period.

19

May 1, 2017

Time Limit on Medicaid Eligibility



Aligns with program goals:

- Provides assistance to individuals most in need.
- Promotes employer-sponsored insurance.
- Helps people move from dependence to independence.
- Promotes work and training to move to nongovernment programs.

20

May 1, 2017



48-Month Eligibility Time Limit

- Members enrollment is limited to 48 months.
- The 48-month count will begin on the effective date of policy implementation for all childless adults currently enrolled in BadgerCare.
- For members who enroll in BadgerCare after the 48-month limit has been implemented, the time limit count will begin on the date of initial program enrollment.

21

May 1, 2017



48-Month Eligibility Time Limit

- After 48 months of enrollment, a member will not be eligible for health care benefits for six months.
- There will be exemptions to the 48-month count.

22

May 1, 2017



Work Component

- Members ages 19 to 49 who fulfill a work requirement while receiving Medicaid benefits will not have this enrollment time calculated in their 48-month eligibility time limit.
- The 48-month count will stop during the time a member works and/or receives job training for at least 80 hours per month.

23

May 1, 2017



Work Component

Aligns with program goals:

- Encourages members to seek work and reach self-sufficiency.
- Empowers citizens to obtain skills and training to secure full-time employment.
- Aligns with Wisconsin's FoodShare Employment and Training (FSET) program.

24

May 1, 2017

Exemptions From Work Component



- The member is diagnosed with a mental illness.
- The member receives Social Security Disability Insurance (SSDI).
- The member is a primary caregiver for a person who cannot care for himself or herself.
- The member is physically or mentally unable to work.

25

May 1, 2017

Exemptions From Work Component



- The member is receiving or has applied for unemployment insurance.
- The member is taking part in an alcohol or other drug abuse (AODA) treatment program.
- The member is enrolled in an institution of higher learning at least half-time.
- The member is a high school student age 19 or older attending high school at least half-time.

26

May 1, 2017

Substance Abuse Identification and Treatment



- Substance abuse is a major public health issue in Wisconsin and across the nation.
- Since 2013, 17 bills have been passed in Wisconsin that address substance abuse.
- In 2016, the Governor created the Task Force on Opioid Abuse to address these challenges.
- In 2017, 9 bills on substance abuse have passed the Assembly.
- Medicaid is Wisconsin's largest health care program and plays a key role in identifying affected individuals and assisting them with treatment.

27

May 1, 2017

Substance Abuse Identification and Treatment



Requires, as a condition of eligibility, that an applicant or member submit to a drug screening assessment and, if indicated, a drug test.

- Individuals will not lose coverage or eligibility if they test positive, as the policy goal is to connect those with substance use disorder to treatment.
- The drug screening assessment will be a questionnaire regarding members current and prior use of controlled substances.
- Screening will be completed at the time of application and annual redetermination.

28

May 1, 2017



Substance Abuse Identification and Treatment

Requirement	Impact of Requirement Results	Consequence for Refusal to Complete Requirement
Drug Screening Assessment	Negative Result: Eligible for health care benefits with no further action required Positive Result: Eligible for health care benefits AND required to submit to a drug test	Ineligible for health care benefits until the assessment is completed
Drug Test	Negative Result: Eligible for health care benefits with no further action required Positive Result: Eligible for health care benefits AND required to participate in substance abuse treatment	Ineligible for health care benefits until the drug test is submitted
Substance Abuse Treatment	Full completion of substance abuse treatment program	Ineligible for health care benefits and may reapply for benefits after a six-month period

29

May 1, 2017



Substance Use Disorder Residential Treatment

Under current federal policy, residential substance abuse treatment is not fully covered, presenting a barrier to continuity of care and limiting access to appropriate levels of care for individuals with substance use disorders.

30

May 1, 2017

Substance Use Disorder Residential Treatment



DHS is requesting the following for all BadgerCare Plus and Medicaid members:

- Residential substance use disorder treatment waiver of the federal exclusion for institution for mental disease (IMD) reimbursement.
- A waiver of the 15-day limit for IMD coverage found in Medicaid managed care regulations.

31

May 1, 2017

Budget Neutrality



- Federal policy requires Section 1115 demonstration waivers be budget neutral to the federal government.
- Wisconsin proposes to use a per-member per-month (PMPM) methodology to determine and achieve budget neutrality.

32

May 1, 2017



Proposed Timeline

Major Milestone	Tentative Date
Public Notice Issued	April 19, 2017
Public Hearings	April 26, 2017 May 1, 2017
Tribal Consultation	May 1, 2017
Public Comment Period Closed	May 19, 2017
Review Public Comments/Edit Draft Waiver Amendment Application	May 19 – May 26, 2017
Waiver Amendment Application Submitted to CMS	May 26, 2017
CMS Approval	By end of 2017
Amendment Effective Date	At least a year from CMS Approval

33

May 1, 2017



Providing Comments

To ensure an orderly and efficient process:

- Sign in if you would like to provide a comment during the meeting today.
- You will be given a number that will be called when it is your turn to speak.
- Speak into the microphone so you can be heard.
- Keep your comments to the topic at hand – the BadgerCare Reform Section 1115 Demonstration Waiver Amendment.
- You will have two minutes to speak.
- If you have written comments, leave them with the designated individual.

34

May 1, 2017



Comments

- All comments that are properly submitted will be given equal weight regardless of the method in which they are submitted.
- Comments may be submitted through May 19, 2017
 - Online:
<https://www.dhs.wisconsin.gov/badgercareplus/waivers-cla.htm>
 - Email: Wisconsin1115CLAWaiver@dhs.wisconsin.gov
- Phone number for voicemail: 1-888-258-8997 (available until midnight tonight).

35

May 1, 2017



Comments

Comments may also be submitted by:

- Fax: 608-266-1096
- Mail:
Al Matano
Division of Medicaid Services
P.O. Box 309
Madison, WI 53707-0309

Note: You may provide comments in your desired language.

36

May 1, 2017



Nondiscrimination Statement

THE STATE OF WISCONSIN DEPARTMENT OF HEALTH SERVICES (DHS) complies with applicable federal civil rights laws and does not discriminate on the basis of race, color, national origin, age, disability, or sex. DHS does not exclude people or treat them differently because of race, color, national origin, age, disability, or sex.

DHS:

- Provides free aids and services to people with disabilities to communicate effectively with us, such as:
 - Qualified sign language interpreters
 - Written information in other formats (large print, audio, accessible electronic formats, other formats)
- Provides free language services to people whose primary language is not English, such as:
 - Qualified interpreters
 - Information written in other languages

If you need these services, contact Al Matano at:
Department of Health Services
Division of Medicaid Services
P.O. Box 309
Madison, WI 53707-0309
Telephone: 608-267-6848 (voice)
Fax: 608-261-7792
Email: Alfred.Matano@dhs.wisconsin.gov

37

May 1, 2017



Nondiscrimination Statement

If you believe that DHS has failed to provide these services or discriminated in another way on the basis of race, color, national origin, age, disability, or sex, you can file a grievance with:

Department of Health Services
Civil Rights Compliance
Attn: Attorney Pamela McGillivray
1 West Wilson Street, Room 651
P.O. Box 7850
Madison, WI 53707-7850
Telephone: 608-266-1258 (voice), 711, or 1-800-947-3529 (TTY)
Fax: 608-267-1434
Email: DHSCRC@dhs.wisconsin.gov

You can file a grievance in person or by mail, fax, or email. If you need help filing a grievance, Pamela McGillivray is available to help you.

You can also file a civil rights complaint with the U.S. Department of Health and Human Services, Office for Civil Rights electronically through the Office for Civil Rights Complaint Portal, available at <https://ocrportal.hhs.gov/ocr/portal/lobby.jsf>, or by mail or phone at:

U.S. Department of Health and Human Services
200 Independence Avenue SW
Room 509F, HHH Building
Washington, DC 20201
Telephone: 1-800-868-1019, 1-800-537-7697 (TDD)

38

Complaint forms are available at <http://www.hhs.gov/ocr/office/file/index.html>.

May 1, 2017



Language Assistance

- This presentation will be posted in English, Spanish, and Hmong at:
<https://www.dhs.wisconsin.gov/badgercarepl/us/waivers-cla.htm>.
- If you would like to see this presentation in your desired language, email Alfred.Matano@dhs.wisconsin.gov.

39

May 1, 2017



Language Assistance

- ATTENTION: Language assistance services, free of charge, are available to you. Call 1-808-267-8848.
- ATENCIÓN: si habla español, tiene a su disposición servicios gratuitos de asistencia lingüística. Llame al 1-808-267-8848.
- LUS CEEV: Yog tias koj hais lus Hmoob, cov kev pab txog lus, muaj kev pab dawb rau koj. Hu rau 1-808-267-8848.
- ACHTUNG: Wenn Sie Deutsch sprechen, stehen Ihnen kostenlos sprachliche Hilfsdienstleistungen zur Verfügung. Rufnummer: 1-808-267-8848.
- 注意：如果您使用繁體中文，您可以免費獲得語言援助服務。請致電 1-808-267-8848。
- ВНИМАНИЕ: Если вы говорите на русском языке, то вам доступны бесплатные услуги перевода. Звоните 1-808-267-8848.
- 주의: 한국어를 사용하시는 경우, 언어 지원 서비스를 무료로 이용하실 수 있습니다. 1-808-267-8848 번으로 전화해 주십시오.
- ध्यान दें: यदि आप हिंदी बोलते हैं तो आपके लिए मुफ्त में भाषा सहायता सेवाएं उपलब्ध हैं। 1-808-267-8848 पर नंबर करें।

40

May 1, 2017



Language Assistance

- إذا كنت تتحدثا شعرا للغة، فإن خدماتنا تساعدك تقوية تتوافق لك بالمجان. اتصل برقم 1-808-267-8848 (رقم هاتفنا لخدمة المتكلمين لخدمة).
- ໃບັດຊາບ: ຖ້າວ່າ ທ່ານເວົ້າພາສາ ອື່ນ, ການບໍລິການຊ່ວຍເຫຼືອດ້ານພາສາ, ໃດຍບໍ່ເຮັດຄ່າ, ຄຸ່ມນີ້ ມີຮ່ວມໃຫ້ທ່ານ. ໂທ 1-808-267-8848.
- ATTENTION : Si vous parlez français, des services d'aide linguistique vous sont proposés gratuitement. Appelez le 1-808-267-8848.
- Wann du [Deitsch (Pennsylvania German / Dutch)] schwetzscht, kannscht du mitaus Koschte ebber gricke, ass dihr helft mit die englisch Schprooch. Ruf selli Nummer uff: Call 1-808-267-8848.
- CHÚ Ý: Nếu bạn nói Tiếng Việt, có các dịch vụ hỗ trợ ngôn ngữ miễn phí dành cho bạn. Gọi số 1-808-267-8848.
- UWAGA: Jeżeli mówisz po polsku, możesz skorzystać z bezpłatnej pomocy językowej. Zadzwoń pod numer 1-808-267-8848.
- KUJDES: Nëse flitni shqip, për ju ka në dispozicion shërbime të asistencës gjuhësore, pa pagesë. Telefononi në 1-808-267-8848.
- PAUNAWA: Kung nagsasalita ka ng Tagalog, maaari kang gumamit ng mga serbisyo ng tulong sa wika nang walang bayad. Tumawag sa 1-808-267-8848.