



Section 1115 BadgerCare Reform Demonstration Project Waiver Amendment

Public Hearing

November 5, 2020

November 12, 2020



Join the Public Hearing

November 5, 2020, 9:30–11:30 a.m.

- Join online through Zoom, and use passcode 110520.
- Join by phone using any of the following numbers, and use webinar ID 973 3379 2716:
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Join the Public Hearing

November 12, 2020, 9:30–11:30 a.m.

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Special Considerations Due to the COVID-19 Pandemic

- Due to the public health emergency related to the COVID-19 pandemic, the state will not be conducting in-person meetings as part of the public notice process for this waiver amendment application.
- The Centers for Medicare & Medicaid Services (CMS) has discretion to exempt the state from completing any aspect of the public notice process, including exemption from conducting any public notice when the state demonstrates to CMS the existence of unforeseen circumstances, such as the COVID-19 public health emergency that directly threatens human lives, that warrant an exception to the normal public notice process.
- Accordingly, the state will use two webinars in lieu of in-person hearings.



Presentation Outline

- Purpose of Hearing
- Current Waiver
- Waiver Amendment Project Objectives
- Overview of Waiver Amendment Proposal
- Budget Neutrality
- Timeline
- Comments



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 Medicaid Health Savings Account 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.



Current 1115 BadgerCare Reform Waiver: Premium

The current BadgerCare Reform Waiver allows the Wisconsin Department of Health Services (DHS) to require as a condition of eligibility the payment of an \$8 monthly premium for those BadgerCare Plus childless adults with incomes that exceed 50% of the federal poverty level (FPL) but are not greater than 100% of the FPL.

Current 1115 BadgerCare Reform Waiver: Reward for Healthy Behavior



- Promoting and incentivizing healthier lifestyles remains a focus of Wisconsin's current demonstration.
- As such, the current waiver also allows members who complete a health survey indicating that they engage in healthy behaviors or manage unhealthy behaviors to receive lower premiums.



Legislation

Under 2017 Wisconsin Act 271, DHS is required to submit to CMS an 1115 Demonstration Waiver to allow Wisconsin to implement a health savings account for Medicaid members.



Amendment to Current 1115 BadgerCare Reform Waiver

Due to the close association between the current BadgerCare Reform Demonstration Project Waiver and the Medicaid health savings account, DHS decided that an amendment to the current 1115 waiver is the best option.



Objectives of the Waiver Amendment

DHS goals for the Medicaid health savings account waiver amendment are to:

- Ensure that Wisconsin residents with limited financial resources have access to quality health care coverage.
- Provide financial support to childless adult members when they leave the BadgerCare Plus and Medicaid programs and transition to health care coverage in the private marketplace.



Objectives of the Waiver Amendment, continued

- Smooth the financial “cliff” of increased health care-related costs that members face when they leave the BadgerCare Plus program due to increased income.



Waiver Amendment Overview

This amendment includes the following policy changes:

- A Medicaid health savings account will be established for any BadgerCare Plus childless adult who has paid a monthly premium as a condition of their eligibility.
- The individual or couple will be allowed to use the Medicaid health savings account to pay for qualifying health expenses after they disenroll from the program.



Waiver Amendment Overview, continued

- The state and federal share of the premium collected will be used to fund the Medicaid health savings account.
- For members who have lowered their premium because of their engagement in healthy behaviors, the federal agency will match the amount contributed to ensure that the amount in the Medicaid health savings account upon disenrollment is equivalent to the amount that they would receive had they not participated in the healthy behavior.



Waiver Amendment Overview, continued

- The Medicaid health savings account can only be used when the individual is not enrolled in the Wisconsin Medicaid or BadgerCare Plus programs.
- Amounts remaining in a Medicaid health savings account that have not been used for 24 consecutive months will be returned to CMS and to Wisconsin's General Fund.



Waiver Amendment Overview, continued

- No amount will be contributed for those BadgerCare Plus childless adults who are exempted from the premium requirement or for those months that the individual or couple are not subject to the premium requirement.
- It would allow DHS to receive the Federal Medical Assistance Percentage (FMAP) for the administration of the Medicaid health savings account.



Medicaid Health Savings Account Qualifying Expenses

Qualifying health care expenses include:

- Health insurance premiums for coverage available through the commercial market, Federally Facilitated Marketplace, or employer-sponsored health plans.
- Cost sharing associated with those health insurance plans.
- Out-of-pocket expenses for those health-related expenses not covered by the health plan.
- Any health care-related expense not covered by a health plan even if an individual has not enrolled in a health plan.



Premium Collection Estimate

- Premiums for childless adults would total between \$48 and \$96 per person depending on if they engage in healthy behaviors.
- DHS anticipates that total annual premium collection would range from between \$1.7 million to \$3.3 million.



Request for CMS Matching Funds

- As mentioned, DHS is also asking that CMS “level the playing field” by matching the difference for those engaging in healthy behaviors who pay less in premiums.
- This approach mitigates one possible disincentive for healthy behaviors.



Demonstration Population

The waiver amendment request pertains to nonpregnant, childless adults, ages 19 to 64 years old, who have countable income above 50% of the FPL but not exceeding 100% of the FPL and who are subject to the BadgerCare Plus monthly premium requirement.



Population Numbers

- Less than 24% of the childless adults enrolled in the BadgerCare Plus and Medicaid programs have incomes above 50% of the FPL.
- DHS estimates that approximately 35,000 childless adults will pay premiums under the policies implemented in February 2020.



Budget Neutrality

- Federal policy requires Section 1115 Demonstration Waivers be budget neutral to the federal government.
- Wisconsin will continue to use a per-member per-month (PMPM) methodology specific to the childless adult population to determine and achieve budget neutrality.
- The demonstration will measure the financial impact to the program.



Budget Neutrality Expectations

- The Medicaid Health Savings Account amendment does not introduce any new benefits.
- Health care costs for the demonstration population are expected to remain the same.
- DHS expects that fewer individuals will return to the BadgerCare Plus and Medicaid programs because the availability of Medicaid health savings account funds will smooth their transition to private coverage.
- Therefore, DHS expects no increase to the current PMPM.



Net Savings

DHS estimates the plan would create a net savings of \$472,000 per year for Medicaid, assuming that nearly 2% of those subject to the premium will transition to private coverage every year.



Timeline

Major Milestone	Date
Tribal Notice	October 19, 2020
Public Notice and Draft Waiver Application Posted to DHS Website	October 26, 2020
Public Hearings	November 5, 2020, and November 12, 2020
Tribal Consultation	November 18, 2020
Public Comment Period	October 26, 2020–November 27, 2020
Final Waiver Amendment Application Submitted to CMS	December 21, 2020
CMS Approval	Summer or fall 2021
Implementation	At least one year from CMS approval



Comments

- At the conclusion of this presentation, we will provide instructions on how you can provide your comments orally and in writing on the webinar today.
- Comments may be submitted through any of the following:
 - Email: dhs wisconsin1115clawaiver@dhs.wisconsin.gov
 - Fax: 608-266-1096, Attn: Laura Brauer
 - Mail:

Department of Health Services, Division of Medicaid Services
Attn: Wisconsin 1115 HSA Waiver Amendment
PO Box 309
Madison, WI 53707-0309



Comments, continued

- Comments will be collected through the end of the public comment period on November 27, 2020.
- All comments that are properly submitted will be given equal weight regardless of the method in which they are submitted.



Language Assistance

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



Language Assistance, continued

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Language Assistance, continued

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