

PUBLIC NOTICE
Wisconsin Department of Health Services
BadgerCare Reform Demonstration Project Waiver Extension

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 & Medicaid Services (CMS) any new Section 1115 demonstration waiver project, extension, or amendment of any previously approved demonstration waiver project or ending of any previously approved expiring demonstration waiver projects and must provide an appropriate public comment period prior to submitting to CMS the new, extended, or amended Section 1115 demonstration waiver application.

This notice serves to meet those federal requirements and to notify the public that DHS intends to submit a request for an extension to the BadgerCare Reform Demonstration Project Waiver to CMS. You can review the official extension request and provide comments for the next 30 days (see below), as well as through written or verbal statements made at the following public hearings:

Tuesday, December 5, 2017
10 a.m.–1 p.m.
Pontiac Convention Center
The Regal Room
2809 N. Pontiac Drive
Janesville, WI 53545

Thursday, December 7, 2017
10 a.m.–1 p.m.
Brown County Central Library
Auditorium, Basement Level 1
515 Pine St.
Green Bay, WI 54301

Your comments will be considered as the extension request is finalized 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 extension 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 7 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 hnuv ua ntej qhov hauj lwm ntawd.

BACKGROUND

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 Medicaid, formerly known as medical assistance. 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, 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, DHS requested and received approval of the BadgerCare Reform Demonstration Project Waiver from the HHS Secretary. Effective January 1, 2014, Wisconsin has been authorized to provide coverage to adults without dependent children who have attained the age of 19 and have not yet attained the age of 65 years with Medicaid coverage so long as their family income does not exceed 100 percent of the federal poverty level (FPL). Additionally, DHS began requiring a monthly premium for parents and caretaker relatives who qualify for transitional medical assistance.

The demonstration is approved for a five-year period and is set to expire on December 31, 2018. After the initial demonstration period, HHS allows states to continue to operate the demonstration through a waiver extension. As the BadgerCare Reform Demonstration Project Waiver has had positive outcomes, DHS plans to request for a waiver extension. DHS would like to continue to operate the current program and serve the needs of those who need it most while further innovating our Medicaid program.

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 our 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 enrollees 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.

PROJECT DESCRIPTION

The Wisconsin BadgerCare Reform Demonstration Project Waiver provides state plan benefits other than family planning services and tuberculosis-related services to childless adults who have family incomes up to 95 percent of the FPL (effectively 100 percent of the FPL considering a disregard of 5 percent of income). It permits the state to charge premiums to adults who are only eligible for Medicaid through the transitional medical assistance (TMA) eligibility group (hereinafter referred to as TMA adults) with incomes above 133 percent of the FPL starting from the first day of enrollment and to TMA adults from 100-133 percent of the FPL after the first six calendar months of TMA coverage.

The demonstration permits the state to provide health care coverage for the childless adult population at or below an effective income of 100 percent of the FPL with a focus on improving health outcomes, reducing unnecessary services, and improving the cost-effectiveness of Medicaid services. Additionally, the demonstration has enabled the state to test the impact of providing TMA to individuals who are paying a premium that aligns with the insurance affordability program in the Marketplace based upon their household income when compared to the FPL.

As we move forward, the state continually has a desire to build upon the positive outcomes we have been able to achieve and improve upon the current health care system. As such, in June 2017, DHS submitted a waiver amendment application. These program changes will be included in the waiver extension.

The proposed program changes only pertain to the childless adults' population unless otherwise stated:

- Establish a monthly premium of \$8 for households with incomes from 51 to 100 percent of the FPL.
- 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, an applicant or member complete a drug screening and, if indicated, a drug test.
- Charge an \$8 copayment for emergency department utilization.
- Establish a work component that allows a member who engages in qualified activities for at least 80 hours a month to not have this time calculated in his or her eligibility time limit.
- Provide full coverage of residential substance use disorder treatment for all BadgerCare Plus and Medicaid members.

BUDGET AND COST EFFECTIVENESS ANALYSIS

The extension application requires financial data demonstrating:

- Historical and projected expenditures for the requested period of the extension, as well as cumulatively over the lifetime of the demonstration.
- A financial analysis of changes to the demonstration requested by the state.

DHS will include in its financial demonstration historical expenditures that are regularly reported to CMS for budget neutrality monitoring. For projected costs, DHS will use the most recently approved budget neutrality calculations from the waiver amendment. We will continue to monitor expenditures through the lifetime of the demonstration.

HYPOTHESIS AND EVALUATION PARAMETERS

DHS will continue to monitor program effectiveness and outcomes by evaluating the currently approved demonstration questions:

- For the TMA demonstration participants, will the premium requirement reduce the incidence of unnecessary services, slow the growth in health care spending, and increase the cost-effectiveness of Medicaid services?
- Is there any impact on utilization and/or costs associated with individuals who were disenrolled but reenrolled after the three-month restrictive reenrollment period?
- Are costs and/or utilization of services different for those that are continuously enrolled compared to costs/utilization for individuals that have disenrolled and then reenrolled?
- What impact does the three-month restrictive reenrollment period for failure to make a premium payment have on the payment of premiums and on enrollment? Does this impact vary by income level? (If so, include a breakout by income level.)
- What is the impact of premiums on enrollment broken down by income level and the corresponding monthly premium amount?
- How is enrollment or access to care affected by the application of new, or increased, premium amounts?
- Will the provision of a benefit plan that is the same as the one provided to all other BadgerCare Plus adult beneficiaries result in improved health outcomes, a reduction in the incidence of unnecessary services, an increase in the cost-effectiveness of Medicaid services, and an increase in the continuity of health coverage?

Additionally, the following new hypothesis will be added as a result of the amendment provisions:

- Completion of a health risk assessment 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.

Interim and final evaluations will continue to 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.

SPECIFIC WAIVER AND EXPENDITURE AUTHORITIES

DHS is requesting the same waiver and expenditure authorities as those approved in the current demonstration's special terms and condition.

Waiver List

1. *Provision of Medical Assistance – Section 1902 (a)(8)*
Eligibility – Section 1902(a)(10)

To the extent needed to enable the state to enforce premium payment requirements under the demonstration by not providing medical assistance for a period of three months for adults that qualify for Medicaid only under section 1925, or sections 1902(e)(1) and 1931(c)(1), of the Act whose eligibility has been terminated as a result of not paying the required monthly premium.

2. *Premiums – Section 1902(a)(14) insofar as it incorporates section 1916,*
Section 1902(a)(52)

To the extent needed to permit the state to impose monthly premiums based on household income on individuals that qualify for Medicaid under TMA only. This waiver allows the state to apply premiums to TMA adults with income above 133 percent of the FPL starting from the date of enrollment, and to TMA adults with income from 100-133 percent of the FPL starting after the first six calendar months of TMA coverage.

Expenditure Authorities

Childless Adults Demonstration Population

Expenditures for health care-related costs for childless, nonpregnant, uninsured adults ages 19 through 64 years who have family incomes up to 95 percent of the FPL (effectively 100 percent of the FPL including the 5 percent disregard); who are not otherwise eligible under the Medicaid state plan, other than for family planning services or for the treatment of tuberculosis; and who

are not otherwise eligible for Medicare, medical assistance, or the state Children’s Health Insurance Program (CHIP).

Title XIX Requirements Not Applicable to the Demonstration Population:
Freedom of Choice - Section 1902(a)(23)(A)

To the extent necessary to enable the state to require enrollment of eligible individuals in managed care organizations.

Authority from Amendments

Waiver List

1. *Cost Sharing – Section 1902(a)(14) insofar as it incorporates 1916 and 1916A*

To the extent necessary to enable Wisconsin to charge an \$8 monthly premium 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 health risk assessment 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 reenrollment period of six months for childless adults who are disenrolled for failure to pay premiums within the state-determined grace period.

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 for the childless adult population.

Expenditure Authorities

Costs Not Otherwise Matchable – Section 1905(a)(29)(B)

- Wisconsin requests that expenditures for providing residential substance use disorder treatment in an institution for mental disease (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.

COPIES OF DEMONSTRATION PROJECT WAIVER DOCUMENTS

Copies of waiver documents, including the final waiver extension application once complete, may be obtained from DHS at no charge by downloading the documents at

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 November 24, 2017 – January 5, 2018. Written comments may be sent to the Division of Medicaid Services at:

Fax: 608-266-1096
Email: wisconsin1115clawaiver@dhs.wisconsin.gov
Mail: P.O. Box 309
Madison, WI 53707-0309

Public comments will be included in the waiver extension submitted to CMS and will be available on DHS's website at the address listed above.