

Full Public Notice

**Wisconsin Department of Health Services
Section 1115 BadgerCare Reform Waiver
Serious Mental Illness and Serious Emotional Disturbance Amendment**

I. Overview

Under federal law, the State of 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 ending of any previously approved expiring demonstration waiver project, and must provide an appropriate public comment period before submitting to CMS the new, extended, or amended 1115 demonstration waiver application.

This notice serves to meet these federal requirements and to notify the public that, as required by 2023 Act 177, the State of Wisconsin intends to submit an application to CMS by January 1, 2025, requesting an amendment to the BadgerCare Reform Waiver that would extend coverage for services provided to Medicaid members ages 21-64 during short-term stays in an institution for mental diseases (IMD) primarily to treat serious mental illness (SMI) or serious emotional disturbance (SED). DHS intends to implement the demonstration statewide as soon as possible after CMS approval. You can review the official waiver amendment request and provide comments for the next 31 days (see below), as well as provide written or verbal statements at the required public hearing.

DHS will hold a virtual public hearing on October 9, 2024, from 10:30 – 11:30 a.m.

Join online through Zoom at <https://dhs.wi.zoomgov.com/j/1616731692>

Or join by phone:

Dial: US: +1 669 254 5252 or +1 646 828 7666 or +1 551 285 1373 or +1 669 216 1590
Webinar ID: 161 673 1692

Comments will be considered to determine if changes should be made to the waiver amendment request but will not impact proposed or enacted state and federal law. In addition, all public comments will be communicated to the federal 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, need an interpreter or translator, or need this material in another language or an alternate format, you may request assistance to participate by contacting Nicholas Di Meo at (414)209-2061. 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 Nicholas Di Meo at 414-209-2061. 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 Nicholas Di Meo at 414-209-2061. Koj yuav tsum thov qhov kev pab yam tsawg kawg 7 hnuv ua ntej qhov hauj lwm ntawd.

II. Background

Through this waiver amendment, the Wisconsin Department of Health Services (DHS) seeks to expand the current authority to reimburse for acute inpatient stays in institutions for mental diseases (IMDs) to include Medicaid-enrolled adults, age 21-64, diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED).

III. Project Goals

The goals of this project are to ensure a comprehensive continuum of behavioral health services, including:

- Reduced utilization and lengths of stay in EDs among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings.
- Reduced preventable readmissions to acute care hospitals and residential settings.
- Improved availability of crisis stabilization services including services made available through call centers and mobile crisis units, intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings throughout the state.
- Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI or SED including through increased integration of primary and behavioral health care.
- Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.

IV. Project Description

Current Program: Wisconsin Medicaid members have access to a wide array of behavioral health services, including inpatient, residential treatment, partial hospitalization, intensive outpatient program, outpatient behavioral health, crisis stabilization, peer support, Medication-Assisted Treatment, and other services. Wisconsin provides coverage for medically necessary services provided in an IMD for members younger than 21 and older than 64 years old. Over the course of this demonstration, Wisconsin will maintain coverage for these services and seek to enhance these benefits by improving quality, access, and utilization.

Waiver Proposal: In addition to maintaining and enhancing these services, through this demonstration, Wisconsin will continue to strengthen the continuum of care by providing coverage for short-term stays in hospital-based IMDs primarily to treat serious mental illness and serious emotional disturbance for Medicaid members ages 21 to 64 years of age, subject to medical necessity. Wisconsin intends to align coverage for elective urgent admissions as well as emergency admissions for this population to match the existing coverage for members under age 21 and over 64. Emergency admissions are involuntary civil commitments necessary to prevent death or serious impairment of the member's health. Individuals residing in an IMD under operation of criminal law would not be eligible for this benefit. The addition of hospital IMDs to the network of Medicaid behavioral health care providers will help ease some of the current access challenges and expand access to the full continuum of evidence-based care.

V. Demonstration Population, Eligibility, and Enrollment

All Wisconsin Medicaid enrollees eligible for a mandatory or optional eligibility group approved for full Medicaid coverage, except those listed below, and between the ages of 21 and 64, will be eligible for services under the waiver, subject to medical necessity criteria.

Only the following eligibility groups will not be eligible for services under the waiver as these groups provide limited Medicaid benefits only.

- Emergency Services for Non-Qualifying Aliens (42 CFR § 435.139)
- Qualified Medicare Beneficiary (QMB) Program (1902(a)(10)(E)(i) and 1905(p) of the Social Security Act)
- Specified Low-Income Medicare Beneficiary (SLMB) Program (1902(a)(10)(E)(iii) and 1905(p) of the Social Security Act)
- Qualifying Individual (QI) Program (1902(a)(10)(E)(iv) and 1905(p) of the Social Security Act)
- Qualified Disabled and Working Individual (QDWI) Program (1902(a)(10)(E)(ii) and 1905(s) of the Social Security Act)
- Tuberculosis-Related Medicaid (42 CFR § 435.215)
- Temporary Enrollment for Pregnant Members (42 CFR § 435.1103(a) and 42 CFR § 435.1110)
- BadgerCare Plus Prenatal Program (42 CFR § 457.10)
- SeniorCare Prescription Drug Program (1115(a) of the Social Security Act)
- Family Planning Only Services (42 CFR § 435.214)

This demonstration will have no impact on eligibility and enrollment determinations.

VI. Delivery System and Payment Rates for Services

All enrollees will continue to receive services through their current delivery system. Payment methodologies will be consistent with those approved in the Medicaid State Plan. The demonstration does not impose new cost-sharing requirements. Rather, those individuals determined eligible for Medicaid will be subject to the same nominal copayments and cost sharing as authorized under Wisconsin's Medicaid State Plan.

VII. Implementation

DHS is submitting this demonstration to CMS as an amendment to the existing BadgerCare Plus Reform 1115 Waiver. If approved, that would align the demonstration period for this amendment with that of

the larger waiver. DHS intends to begin implementation of this demonstration as soon as possible after CMS approval.

VIII. Budget and Cost-Effectiveness Analysis

Federal policy requires Section 1115 demonstration waivers to 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. Demonstration of federal budget neutrality for a Section 1115 demonstration application must follow a unique process from federal and state budgeting and health plan rate setting. To ensure budget neutrality for each federal fiscal year for this extension, Wisconsin uses a per-member-per month (PMPM) based methodology specific to the applicable Medicaid Eligibility Group (MEG) for this waiver population. The MEG is defined as individuals, ages 21 through 64, diagnosed with serious mental illness or serious emotional disturbance for short term stays for acute care treatment in psychiatric hospitals that qualify as IMDs. The PMPM calculation has been established in the context of current federal and state law, and with the appropriate analytically sound baselines and adjustments. The Department is currently working with CMS on the final budget neutrality limits. The outcome of these calculations will be shared as an appendix with the CMS application and the final budget neutrality limits will be posted at approval.

IX. Evaluation Design

This demonstration will test whether the expenditure authority granted under this demonstration, in addition to other current behavioral health delivery system enhancements results in increased access to health care services and improved health outcomes for individuals with SMI or SED. DHS has developed a high-level preliminary evaluation plan which has been developed in alignment with CMS evaluation design guidance for SMI/SED 1115 waiver demonstrations. Upon CMS approval of this waiver application, the State will contract with an independent evaluator to conduct a rigorous and independent evaluation of the demonstration.

The first goal of the waiver amendment is reduced utilization and lengths of stay in emergency departments among Medicaid members with SMI or SED while awaiting mental health treatment in specialized settings. The hypothesis is that the demonstration will result in reductions in utilization of stays in emergency department among Medicaid members with SMI or SED while awaiting mental health treatment. Potential metric: All-Cause Emergency Department Utilization Rate for Medicaid Beneficiaries who may Benefit from Integrated Physical and Behavioral Health Care.

The second goal of the waiver amendment is reduced preventable readmissions to acute care hospitals and residential settings. The hypothesis is that the demonstration will result in reductions in preventable readmissions to acute care hospitals and residential settings. Potential metric: 30-Day All-Cause Unplanned Readmission Following Psychiatric Hospitalization in an Inpatient Psychiatric Facility.

The third goal of the waiver amendment is improved availability of crisis stabilization services, including services made available through call centers and mobile crisis units; intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs; psychiatric hospitals; and residential treatment settings throughout the state. The hypothesis is that the demonstration will result in improved availability of crisis stabilization services throughout the state. Potential metric: For each geographic region, the ratio of Medicaid beneficiaries with SMI or SED to the

number of mobile crisis units, crisis observation/assessment centers, and coordinated community crisis response teams.

The fourth goal of the waiver amendment is improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI, including through increased integration of primary and behavioral health care. The hypothesis is that access of beneficiaries with SMI or SED to community-based services to address their chronic mental health care needs will improve under the demonstration, including through increased integration of primary and behavioral health care. Potential metric: Number and percentage of Medicare fee-for-service or Medicaid providers providing behavioral health integration services.

The fifth goal of the waiver amendment is improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities. The hypothesis is the demonstration will result in improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities. Potential metric: Medication continuation following inpatient psychiatric discharge.

A detailed evaluation design will be developed for review and approval by CMS. The evaluator will use relevant data from the BadgerCare Plus and Medicaid for the Elderly, Blind and Disabled programs. 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, partners, and the general public about the performance of the demonstration. All evaluation reports will be made public and posted on the DHS website.

X. Specific Waiver and Expenditure Authorities

Wisconsin requests expenditure authority under this Section 1115 Waiver for otherwise covered services furnished to otherwise eligible individuals, ages 21 through 64, for short-term stays for acute care in a psychiatric hospital that qualifies as an IMD. No additional waivers of Title XIX or Title XXI are requested through this demonstration application. All other initiatives and proposed program enhancements will be implemented through other authorities outside of this Section 1115 Waiver.

XI. Copies of Demonstration Project Waiver Amendment Documents

Copies of waiver documents, including the full public notice (to be posted on October 1, 2024), and the final waiver application, once complete, may be obtained from DHS at no charge by downloading the documents at dhs.wi.gov/medicaid/waiver-smised.htm or by contacting Nicholas Di Meo at:

Mail: Nicholas Di Meo
Waukesha State Office Building
Department of Health Services, Division of Medicaid Services
141 NW Barstow St. Rm 126
Waukesha, WI 53188

Phone: 414-209-2061
Fax: 262-521-5106, Attn: Nicholas Di Meo
Email: DHSMedicaidSMISED@dhs.wisconsin.gov

XII. Written Comments

Written comments on the proposed changes are welcome and will be accepted from October 1, 2024, through October 31, 2024. Written comments may be sent to:

Mail: Nicholas Di Meo
Waukesha State Office Building
Department of Health Services, Division of Medicaid Services
141 NW Barstow St. Rm 126
Waukesha, WI 53188

Phone: 414-209-2061
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