

PUBLIC NOTICE
Wisconsin Department of Health Services
Section 1115 Postpartum Coverage Waiver

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 & 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 2021 Wisconsin Act 58, the State of Wisconsin intends to submit a request to CMS on or around May 15, 2022, to extend postpartum eligibility for Medicaid-eligible pregnant people to continue to the last day of the month 90 days after the last day of pregnancy. DHS seeks a five-year demonstration approval period and intends to implement the demonstration statewide as soon as possible after CMS approval. You can review the official waiver request and provide comments for the next 30 days (see below), as well as provide written or verbal statements at the required public hearings.

Due to the public health concerns 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 application. CMS has the discretion to exempt the state from completing any aspect of the public notice process. Exemption reasons include demonstration by the state to CMS the existence of unforeseen circumstances, such as the COVID-19 public health emergency, that directly threaten human lives and warrant an exception to the normal public notice process. Accordingly, the state will hold two webinars in place of in-person hearings.

- **April 13, 2022, 10:00 a.m. – 12:00 p.m.**
 - Join online:
<https://dhs.wi.zoomgov.com/j/1616690151>
 - Join by phone:
 - Toll-Free: 844-708-2568
 - 669-254-5252
 - 646-828-7666
 - 669-216-1590
 - 551-285-1373
 - Webinar ID: 161 669 0151

- **April 20, 2022, 10:00 a.m. – 12:00 p.m.**
 - Join online:
<https://dhswi.zoomgov.com/j/1610547719>
 - Join by phone:
 - 669-254-5252
 - 646-828-7666
 - 669-216-1590
 - 551-285-1373
 - Webinar ID: 161 054 7719

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 HHS as part of the final waiver 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 Bailey Dvorak at 608-267-5210. 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 Bailey Dvorak ntawm 608-267-5210. Koj yuav tsum thov qhov kev pab yam tsawg kawg 7 hnuv ua ntej qhov hauj lwm ntawd.

II. Background

Wisconsin Medicaid has long prioritized coverage of pregnant people and now finances more than four in ten births in the state. Currently, pregnancy-related Medicaid coverage lasts through 60 days postpartum. An infant is eligible for Medicaid for the first year after birth under federal law. Those who qualify for Medicaid based on pregnancy are provided with a wide range of Medicaid benefits, including prenatal care, childbirth, and delivery services.

Under current law, the income eligibility threshold for pregnant people is 300% of the federal poverty level (FPL). Eligibility for coverage ends on the last day of the month when the 60-day postpartum period ends. Birthing people whose household income is below 100% of the FPL may retain eligibility following pregnancy, as either a parent or a childless adult (if they are not a parent of a child in the household). Unless eligible under other Medicaid provisions, birthing people above that level are no longer eligible for coverage. They are disenrolled from the program after 60 days, causing disruptions to care and access to coverage.

The postpartum period is a critically important, yet often neglected, time in the health of the birthing person and baby. Pregnancy-related medical conditions, chronic health conditions, and even death can occur in the months following birth or the end of pregnancy. According to the [2017 Annual Wisconsin Birth and Infant Mortality Report](https://www.dhs.wisconsin.gov/publications/p01161-19.pdf) (available to download at www.dhs.wisconsin.gov/publications/p01161-19.pdf), 41% of birthing people had one or more medical risk factors that put them at higher risk for pregnancy complications or poor birth outcomes. Pregnancy-related medical and chronic health conditions left untreated can have serious consequences if the birthing person cannot care for themselves and their baby.

Section 1115 of the Social Security Act provides the Secretary of HHS broad authority to authorize experimental or pilot research and demonstration projects, which are likely to promote the objectives of the Medicaid statute. Flexibility under section 1115 is sufficiently broad to allow states to test substantially new ideas of policy merit.

Racial disparities in the health of birthing people and their babies are of particular concern. In Wisconsin, a Black birthing person is five times more likely to die of birthing mortality than a white birthing person. Nationally, Black, American Indian, and Alaska Native birthing people are two to three times more likely to die from pregnancy-related causes than non-Hispanic white birthing people. Extending Medicaid coverage during the postpartum period is emerging as a critical strategy to address disparities in morbidity and mortality of birthing people.

III. Project Goals

Wisconsin is committed to implementing policies that result in high-quality health coverage for our citizens, leveraging the state's tradition of strong health outcomes, innovation, and high-quality health care to do so. Wisconsin's overall goals for the Medicaid program are to:

- Ensure residents with limited financial resources have access to health coverage.
- Improve lives through high-value programs and services that increase well-being and promote independence.
- Provide responsible stewardship of taxpayer resources.

The goals sought by this waiver are to:

- Reduce the morbidity and mortality of birthing people for Medicaid members.
- Support the long-term fiscal sustainability of the Medicaid program.

IV. Project Description

This waiver is prompted by 2021 Wisconsin Act 58, which requires DHS to request federal approval of a state Medicaid plan amendment or federal waiver to extend postpartum eligibility for Medicaid-eligible pregnant people to continue to the last day of the month after 90 days postpartum. This waiver would increase the postpartum coverage period from 60 days to 90 days or three months after the last day of pregnancy, providing an additional month of coverage for birthing people whose household income is above 100% of the FPL.

The legislation does not impact or modify any components of the state's current Medicaid or CHIP programs.

V. Demonstration Population, Eligibility, and Enrollment

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

Current Program: Under current law, the income eligibility threshold for pregnant people is 300% of the federal poverty level. Eligibility for coverage ends on the last day of the month when the 60-day postpartum period ends. Birthing people whose household income is below 100% of the FPL may retain eligibility following pregnancy, as either a parent or a childless adult (if they are not a parent of a child in the household). Unless eligible under other Medicaid provisions, birthing people above that level are no longer eligible for coverage. They are disenrolled from the program after 60 days.

Waiver Proposal: This waiver would extend postpartum Medicaid coverage from 60 days to 90 days or three months, which effectively provides an additional month of coverage for birthing people whose household income is above 100% of FPL but not exceeding 300% of FPL.

Demonstration Population: The waiver will only be implemented for the following eligibility groups:

- Qualified Pregnant Women and Children – 42 CFR § 435.116, SSA § 1902(a)(10)(A)(i)(III), SSA § 1905(n)
- Mandatory Poverty Level Pregnant Women – SSA § 1902(a)(10)(A)(i)(IV), SSA § 1902(l)(1)(A)
- Optional Poverty Level Related Pregnancy – Women & Infants - SSA § 1902(a)(10)(A)(ii)(IX), SSA § 1902(l)(2)

Eligibility: Eligibility for the extended postpartum period is determined by the date on which the pregnancy ends. The proposal extends existing postpartum coverage from 60 days to 90 days or three months (i.e., by an additional thirty days or one month). This extension has no material impact on eligibility determinations.

Individuals on other forms of Medicaid that are not listed in the table above are not eligible for this proposed extension. They will maintain their current coverage and will not transition into pregnancy-related coverage.

To promote the continuity of postpartum care, a participant who is deemed eligible, according to the eligibility groups listed in Table 3.3, will maintain coverage for the duration of the 90 days or three-month postpartum period. After the three-month postpartum period, an eligibility redetermination will be made as per *42 CFR 435.916(a)*. If an individual qualifies for full Medicaid benefits as part of a separate eligibility group, the transition will automatically occur.

Enrollment: Individuals will seamlessly transition into this waiver exactly as they did previously under the 60-day postpartum benefit period; the substantive change is simply an extended postpartum benefit period. All birthing people covered by this proposed extension will transition after the extended 90 days or three-month postpartum benefit period to the appropriate Medicaid program, based on their current eligibility; this transition will take place automatically.

DHS will extend a “transition period” to eligible people whose 60-day postpartum benefits prior to this demonstration would have expired. Eligible people will be permitted to seamlessly benefit from the extended postpartum coverage under this demonstration and maintain coverage for the duration of the 90-day or three-month postpartum period.

There is no change to the state’s current retroactive coverage policy. New entrants to the program will have retroactive coverage back to the beginning of the month in which their application was submitted. Eligibility will be determined for up to three months before the month of application upon the applicant’s request.

VI. Delivery System and Payment Rates for Services

Managed Care Delivery System: The state will utilize a managed care delivery system to provide services to all members eligible for this proposed extension, except for individuals who are either prohibited from joining a health maintenance organization (HMO) or those exempt from joining an HMO and choose not to do so.

The state currently contracts with multiple HMOs, which were selected through a certification process for any willing managed care organization. The state does not intend to amend its existing contracts with its HMOs to implement the provisions of this 1115 demonstration waiver.

HMO assignment/selection will follow the same process used outside this waiver. Members who do not already belong to an HMO upon entry into the program will be automatically enrolled into an HMO. Members will then have a 90-day window to switch to a different plan if they choose before being locked into their assigned plan until their anniversary date the following year.

Payment Rates for Services: The capitation rate-setting methodology for this demonstration will be the same methodology used to set rates for the current Medicaid populations and will comply with all federal rate-setting requirements and guidance. Rate cell determinations will be aligned with the respective age cohort in the BadgerCare Plus rate cell.

VII. Implementation

DHS seeks a five-year demonstration approval period and intends to implement the demonstration as soon as possible after CMS approval. This rollout must include sufficient time for the state to prepare and implement operational and administrative changes and communicate with members the changes under the waiver.

Notification: The state will develop and deploy an appropriate communications strategy to inform current BadgerCare Plus enrollees and members in the “transition period” cohort. Pending approval of this demonstration, DHS intends to provide notice as soon as reasonably practicable.

Communications will also target HMOs, pertinent organizations, hospitals, providers, and lactation service professionals, through provider-specific messages. Additional communications to all pertinent organizations will be conducted via email. Because members will transition seamlessly into this augmented period after 60 days of postpartum coverage, no additional enrollments will be required.

VIII. Budget and Cost-Effectiveness Analysis

Approach to Ensuring Federal Budget Neutrality

Federal policy requires Section 1115 Waiver demonstrations 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 without it. Determination of federal budget neutrality for a Section 1115 demonstration application must follow a unique process distinct from federal and state budgeting and health plan rate setting. The processes, methods, and calculations required to demonstrate federal budget neutrality only exist for that express purpose. 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 five-year demonstration, Wisconsin will continue to use a historical per-member per-month (PMPM) methodology specific to the postpartum coverage population (i.e., pregnant women, children, and infants eligibility groups listed in Table 2.1). This calculation has been established in the context of current federal and state law and with appropriate, analytically sound baselines and adjustments. The demonstration will measure the financial impact on the program.

IX. Evaluation Design

The first goal of the waiver is to reduce morbidity and mortality of birthing people for Medicaid members in Wisconsin. The respective hypothesis is that extending eligibility for pregnant birthing people from 60 days to 90 days or three months postpartum will reduce morbidity and mortality of birthing people for Medicaid members by providing continued health maintenance organization (HMO) care coordination and continuity in provider networks at a medically vulnerable time. Metrics to evaluate this hypothesis include:

- Rates of postpartum morbidity and mortality of birthing people year-over-year.
- Number of birthing people who access services pre-intervention (five-year baseline with postpartum coverage of 60 days) vs. post-intervention (postpartum coverage of 90 days).
- Postpartum visit rates pre vs. post.

The second goal of the waiver is to support the long-term fiscal sustainability of the Medicaid program in Wisconsin. The respective hypothesis is that targeting specific populations to extend Medicaid benefits will support the financial sustainability of the Medicaid program. Metrics to evaluate this hypothesis include:

- Total cost of health services per population capita pre- and post-intervention vs. the national average.

A detailed evaluation design will be developed for review and approval by CMS. The evaluator will use relevant data from the BadgerCare Plus 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.

X. Specific Waiver and Expenditure Authorities

Wisconsin seeks waiver of the following requirements of the Social Security Act necessary to implement Wisconsin's 1115 Demonstration:

- 1. Definition of Pregnant Woman: SSA § 1905(n)/42 CFR § 435.4**
 - Necessary to redefine “qualified pregnant woman or child” (SSA) and “pregnant women” (CFR) to augment the baseline postpartum period from 60 days to 90 days.
- 2. Extended Eligibility and Continuous Eligibility: SSA § 1902(e)(5) and (6)/42 CFR § 435.170(b) and (c)**
 - Necessary to extend both eligibility and continuous eligibility for newly defined “pregnant women or child” and “pregnant woman” from 60 days to 90 days.

3. Suspended Renewals Until End of Postpartum Period: 42 CFR § 435.916(a)

- Necessary to ensure continuity of coverage for newly defined “pregnant woman” until after the augmented postpartum period ends, i.e., the last day of the month in which the 90th day after the last day of a person’s pregnancy falls.

Under this demonstration, the state also requests expenditure authority for birthing people up to 300% of the FPL for the extended one-month postpartum coverage period, which is not otherwise included under § 1903 of the SSA. These expenditures shall be regarded for the demonstration as matchable expenditures under the state’s Medicaid Title XIX state plan.

XI. Copies of Demonstration Project Waiver Documents

Copies of waiver documents, including the final waiver application once complete, may be obtained from DHS at no charge by downloading the documents at www.dhs.wisconsin.gov/dms/postpartum1115waiver.htm or by contacting Bailey Dvorak at:

Bailey Dvorak
Division of Medicaid Services
PO Box 309
Madison, WI 53707-0309

Phone: 608-267-5201
Fax: 608-266-3205, Attn: Bailey Dvorak
Email: bailey.dvorak@dhs.wisconsin.gov

XII. Written Comments

Written comments on the proposed changes are welcome and will be accepted from April 6, 2022, until May 6, 2022. Written comments may be sent to:

Department of Health Services, Division of Medicaid Services
Attn: Wisconsin 1115 Postpartum Coverage Waiver
PO Box 309
Madison, WI 53707-0309
Fax: 608-266-1096
Email: dhspostpartumcoverage1115waiver@dhs.wisconsin.gov

Public comments will be included in the waiver request submitted to CMS on or around May 15, 2022, and will be available on the DHS website at www.dhs.wisconsin.gov/dms/postpartum1115waiver.htm.