

# Wisconsin SeniorCare

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A Pharmaceutical Benefit for Low-Income Seniors

1115 Demonstration Project Amendment

DRAFT

## Purpose of the SeniorCare §1115 Demonstration Program

The Wisconsin SeniorCare program was created to address the critical need for prescription drug coverage for Wisconsin seniors. The SeniorCare demonstration program serves Wisconsin residents aged 65 years and older, who are not currently eligible for Medicaid benefits, and whose incomes is at or below 200 percent of the federal poverty limit. Since implementation on September 1, 2002, the SeniorCare demonstration has successfully delivered a comprehensive outpatient drug benefit to over 290,000 Wisconsin seniors.

## Request for an Amendment to the §1115 Demonstration Program

The State of Wisconsin requests an amendment of its §1115 demonstration for the SeniorCare prescription drug assistance program. The purpose of the amendment is to expand coverage under the SeniorCare demonstration program to allow for the coverage of vaccinations recommended by the Advisory Committee on Immunization Practices (ACIP) for administration to adults.

### I. Amendment Summary and Objectives

#### Description of the Amendment

Currently, individuals enrolled in the SeniorCare demonstration program are eligible for coverage of prescription drugs, which includes over-the-counter insulin. In April 2020, 2019 Wisconsin Act 185 was passed and it amended the definition of “prescription drug” under the SeniorCare program to include vaccinations recommended by ACIP for administration to adults. Below is the relevant language passed in 2019 Wisconsin Act 185:

**SECTION 15 .** 49.688 (1) (c) of the statutes is renumbered 49.688 (1) (c) (intro.) and amended to read:

49.688 (1) (c) (intro.) “Prescription drug” means ~~any of the following~~:

1. A prescription drug, as defined in s. 450.01 (20), that is included in the drugs specified under s. 49.46 (2) (b) 6. h. and that is manufactured by a drug manufacturer that enters into a rebate agreement in force under sub. (6).

**SECTION 16 .** 49.688 (1) (c) 2. of the statutes is created to read:

49.688 (1) (c) 2. A vaccination recommended for administration to adults by the federal centers for disease control and prevention's advisory committee on immunization practices and approved for administration to adults by the department.

Wisconsin is requesting an amendment to its §1115 demonstration in order to be compliant with the above provision.

#### Amendment’s Alignment and Advancement of SeniorCare Objectives

The amendment proposal aligns with the approved SeniorCare demonstration’s objectives by:

- 1. Keeping Wisconsin seniors healthy by providing a necessary prescription drug benefit with low administrative burden and high level of member satisfaction.**

SeniorCare will maintain its simple application, enrollment and renewal process.

Expanding the definition of prescription drug to include vaccinations allows SeniorCare to provide a more robust prescription drug benefit. It will close the coverage gap for the roughly 34,000

members who do not have a Medicare Part D plan and for the nearly 40,000 members who do not have a Medicare Part B plan.

The SeniorCare Advisory Committee, SeniorCare members, and advocates for Wisconsin seniors have repeatedly asked for vaccines to be covered under SeniorCare. This amendment will allow the program to meet this member need.

Finally, the proposed vaccines covered under the SeniorCare program are recommended by ACIP. These vaccines are safe, with few contraindications, have a low rate of adverse reactions, and very high rates of efficacy.

**2. Helping protect the finances of low-income Wisconsin seniors by controlling prescription drug costs and reducing financial barriers to obtaining needed medications.**

Members will not see their cost obligations increase due to the addition of vaccination coverage.

Covering vaccinations would close the coverage gap for SeniorCare members who do not have a Medicare Part B or Part D plan.

**3. Reducing the rate of increase in the medical services provided to this population such as hospital, emergency department, and nursing facilities.**

A senior who takes his or her medication is more likely to have reduced medical spending, therefore decreasing overall health care costs.

Covering vaccinations ensures that seniors receive immunizations that are necessary for adults to prevent further illness. Immunizations are an effective way to combat mortality associated with infectious disease and timely immunizations prevent infectious disease.

### **Beneficiary Cost Share**

Vaccinations will be exempt from member cost share requirements.

Member cost share for non-vaccination prescription drugs will not change.

- Members who have income at or below 160 percent of the federal poverty level (FPL) will pay a \$15 copay for each covered brand name prescription drug and pay a \$5 copay for each covered generic prescription drug.
- Members who have income between 160 percent and 200 percent of the FPL will pay the SeniorCare rate for each covered prescription drug until the \$500 deductible is met. Once the deductible is met, the member will pay a copay for each covered prescription drug.

### **SeniorCare Enrollment**

The coverage of vaccinations is not expected to impact program enrollments. Projected enrollment for demonstration years 2021-2028 is estimated to be 42,639 members annually.

## II. Budget Neutrality

Vaccination coverage for SeniorCare members will not have a substantive impact on budget neutrality of the program. Below are the anticipated costs and savings:

Demonstration Year	Vaccine Cost	Savings with Demonstration
CY 2021	\$80,127	\$55,465,472
CY 2022	\$83,653	\$59,333,422
CY 2023	\$87,334	\$63,384,922
CY 2024	\$91,176	\$67,628,098
CY 2025	\$95,188	\$72,072,106
CY 2026	\$99,376	\$76,724,106
CY 2027	\$103,749	\$81,595,385
CY 2028	\$108,314	\$86,695,288

A full budget neutrality analysis is included in this application for review.

## III. Demonstration Expenditures and Authorities

No additions or changes to the existing approved waivers and expenditure authorities are needed. The current CMS approved authorities are as follows:

### Waivers:

- Eligibility: § Sections 1902(a)(10)(A) and 1902(a)(17) of the Social Security Act of 1965.
- Comparability: § Section 1902(a)(10)(B) of the Social Security Act of 1965.
- Cost Sharing: § Section 1902(a)(14) of the Social Security Act of 1965.
- Application Processing and Ex Parte Eligibility Redetermination: § Section 1902(a)(19) of the Social Security Act of 1965 and federal regulations under 42 CFR §§435.902, 435.907, 435.916 and 435.930.
- Program Integrity: § Section 1902 (a)(46) of the Social Security Act and federal regulations under 42 CFR §§ 435.920 and 435.940-435.965.
- Retrospective Benefits: §Section 1902(a)(34) of the Social Security Act of 1965 and federal regulations under 42 CFR §§435.915.
- Enrollment: § Section 1902(a)(10) of the Social Security Act of 1965.
- Hearings and Appeals: § Section 1902(a)(3) of the Social Security Act of 1965 and federal regulations under 42 CFR §§ 431.211 and 431.213.

### Expenditures:

Expenditures for prescription drug costs and medication therapy management (MTM) services for individuals age 65 or over with income at or below 200 percent of the Federal poverty level

(FPL) who are enrolled in the demonstration and who are not receiving full Medicaid benefits under a group covered under the Medicaid State plan.

#### IV. Public Notice

- The State of Wisconsin will hold a combined SeniorCare Advisory Committee and public meeting to address the amendment of the SeniorCare demonstration and allow for public comment. A draft copy of the demonstration amendment, budget neutrality report, and revised SeniorCare evaluation design will be posted two weeks prior to this public meeting to allow for adequate notice to the public.
- Public Notices will be posted in the Wisconsin Administrative Registry, the Department of Administration's public meeting website and the SeniorCare website.
- The State will submit a Letter of Intent to amend the SeniorCare demonstration to the tribal nations in Wisconsin. The Letter will inform the tribal nations in Wisconsin of the public meeting and include a link to all relevant meeting and amendment materials. This letter will be sent two weeks prior to the public meeting to allow for adequate notice and opportunity to comment.

#### V. SeniorCare Program Evaluation Design

The proposed amendment to cover vaccinations falls within the evaluation plan.

Vaccination coverage will be included in the evaluation plan by adding a research question to hypothesis two. Below is the proposed vaccination-related addition for the evaluation plan:

- Hypothesis two: SeniorCare will have a positive effect on the health outcomes of Wisconsin seniors.
  - Research question five: Are there changes in adherence with recommended vaccine schedules among SeniorCare members after the initiation of SeniorCare vaccination coverage?
    - Outcome Measures:
      - Utilization of vaccinations (e.g., number of vaccinations, members who had vaccinations, etc.).
      - Expenditures for vaccinations (e.g., total costs, SeniorCare program costs, and member out-of-pocket costs).
    - Data Source Used:
      - SeniorCare enrollment and vaccination claims data
    - Analytic Methods:
      - Descriptive statistics
      - Pre-post comparison after implementation of vaccination coverage