

SeniorCare Waiver Application Attachment A Budget Neutrality

Table 1A Hypothetical Scenario Medicaid Members Age 65+

	Pre-Waiver Trend Actuals/Estimates Submitted in Original Waiver to CMS ¹				
	Actual SFY98	Actual SFY99	Actual SFY00	Actual SFY01	Actual SFY02 ³
Member Months	765,095	762,290	763,574	759,105	765,297
Members	63,758	63,524	63,631	63,259	63,775
Cost per Member per Month (PMPM)	\$1,385	\$1,426	\$1,489	\$1,559	\$1,709
Net Medicaid Expenditures ²	\$1,059,737,542	\$1,086,982,017	\$1,136,742,709	\$1,183,751,984	\$1,307,723,150
Cost per Member Change		2.9%	4.4%	4.7%	9.6%
Member Month Change		-0.4%	0.2%	-0.6%	0.8%

¹ Pre-waiver cost, utilization, and enrollment was not fully compiled before the original waiver application was submitted to CMS (March 28, 2002). SFY 2002 total Medicaid expenditures, eligible member months and cost per eligible per month have been updated to reflect actuals.

² Net of drug rebates and dual-eligible drug spend, including Home and Community Based Services (HCBS) waivers and other financial payments.

³ SFY 2002 total Medicaid expenditures adjusted \$12 million, from \$1,326,699 to \$1,307,723,150, to subtract administration costs and the non-MA Community Options Program. Increase between SFY 2001 and SFY2002: The nursing home supplement increased by \$36 million (from \$40 to \$76 million). Additionally, Family Care expansion began in 2001 and continues to expand.

	Trend Projections Previously Submitted to CMS						
	SFY03	SFY04	SFY05	SFY06	SFY07	SFY 08 ²	SFY 09
Member Months	780,603	796,215	812,139	824,321	832,564	832,564	831,732
Member Months Percent Change		2.0%	2.0%	1.5%	1.0%	0.0%	-0.1%
Members	65,050	66,351	67,678	68,693	69,380	69,380	69,311
Rate of Diversion (Part D)	0%	0%	0%	0.5%	1.0%	2.0%	4.0%
Number of Member Months Diverted (Part D)	0	0	0	4,061	8,243	16,651	33,269
Adjusted Member Months	780,603	796,215	812,139	820,260	824,321	815,913	798,462
Cost Per Member per Month Net of Rebates (PMPM) ³	\$1,816	\$1,931	\$2,053	\$2,182	\$2,319	\$2,389	\$2,461
Adjusted Cost PMPM Net of Rebates (Part D)	\$1,816	\$1,931	\$2,053	\$1,931	\$2,121	\$2,168	\$2,233
Medicaid Expenditures	\$1,417,911,902	\$1,537,385,159	\$1,666,925,233	\$1,583,922,060	\$1,748,384,841	\$1,768,592,173	\$1,782,688,935
Initiatives ¹	\$0	-\$24,500,000	-\$56,000,000	-\$28,000,000	\$0	\$0	\$0
Net Expenditures with Initiatives	\$1,417,911,902	\$1,512,885,159	\$1,610,925,233	\$1,555,922,060	\$1,748,384,841	\$1,768,592,173	\$1,782,688,935
Adjusted Cost per Member Change ⁷	6.3%	6.3%	6.3%	-5.9%	9.8%	2.2%	3.0%
Adjusted Member Month Change ²	2.0%	2.0%	2.0%	1.0%	0.5%	-1.0%	-2.1%

¹ Initiatives are cost savings from the following policy changes: prior authorization, preferred drug list, generic first, supplemental rebates and reimbursement rates.

² Trend rates reflect figures negotiated with CMS from the original budget neutrality worksheet (eligible member months: 2.0% and cost per eligible: 6.3%).

³ Cost per member change for SFY 2008 to SFY 2009 is a conservative estimate based on a negotiated trend rate of 6.3%. Declines in member month change for SFY 2009 reflect continued Medicare Part D diversion and increases beginning SFY 2008 to correspond with changes in SeniorCare member eligible month decreases.

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	Trend Projections Previously Submitted to CMS		
	CY10	CY11	CY12
Member Months ¹	855,909	880,788	906,391
Member Month Change ²	2.9%	2.9%	2.9%
Members ³	71,326	73,399	75,533
Rate of Diversion from Medicaid due to Part D ⁴	2.31%	2.04%	2.17%
Rate of Diversion from Medicaid due to ACA change ⁵	0.00%	0.14%	0.12%
Number of Member Months Diverted (Part D & ACA)	19,751	19,207	20,763
Adjusted Member Months	836,157	861,581	885,628
Cost per Member per Month Net of Rebates (PMPM)	\$1,999	\$1,960	\$2,008
Medicaid Expenditures⁶	\$1,671,731,953	\$1,688,615,154	1,778,416,696
Intervention-based Services			
MTM Initiative ⁷			\$152,515
Comprehensive Medication Review (CMR) MTM Initiative ⁷			\$677,990
Net Expenditures with Initiatives	\$1,671,731,953	\$1,688,615,154	1,779,247,201

¹ Member Months CYs 2010-2012 were recalculated in order to better reflect actual experience in the Medicaid Program.

² Member months change percentages are based on Medicaid trends. Trends for CYs 2010-2012 are based on Medicaid trends from CYs 2009-2011.

³ Continued diversion occurs as people who would have signed up for Medicaid are signing up for Medicare Part D. Total Member Months diverted in CY 2010 and CY 2011 calculated as the difference between the member months above and the Medicaid member months for the same years.

⁴ Diversion attributable to Medicare Part D is based on the national average share of Medicare eligibles enrolled in Medicare Part D, from data published in the Medicare & Medicaid Research Review 2012 Statistical Supplement.

⁵ Changes in diversion due to ACA changes is based on the year-to-year change in Medicare Part D enrollment from the 2012 Medicare Trustees Report.

⁶ Net Expenditures calculated as adjusted member months multiplied by cost per member per month.

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	Trend Projections Previously Submitted to CMS		
	CY13	CY14	CY15
Member Months 1	923,404	940,285	956,508
Members 65+ 2	76,950	78,357	79,709
Member Months Change	1.9%	1.8%	1.7%
Total Member Months Diverted 3	36,076	39,397	42,780
Total Diversion Rate	3.9%	4.2%	4.5%
Rate of Diversion from Medicaid due to Part D 4	1.29%	1.43%	1.58%
Rate of Diversion from Medicaid due to ACA changes (included in percentage above) 5	0.10%	0.10%	0.09%
Adjusted Members 65+ after Diversion	75,960	77,235	78,451
Number of Member Months Diverted	11,886	13,465	15,099
Adjusted Member Months after Diversion	911,518	926,820	941,408
Cost per Member Per Month (PMPM)5	\$1,883	\$1,855	\$1,890
PMPM Change	-3.8%	-1.5%	1.9%
Net Expenditures	\$1,716,106,261	\$1,719,105,098	\$1,779,623,030

¹ Member Months CYs 2013-2015 were recalculated in order to better reflect actual experience in the Medicaid Program. Member months for CYs 2013-2015 and projected CYs 2016-2018 were calculated by increasing the prior year's member months by the actual growth rate experienced in Wisconsin for plus 0.3%. The added 0.3% per year is to reflect further diversions from Medicare Part D and SeniorCare compared to the without waiver scenario.

² Members calculated by dividing member months by 12.

³ Total Member Months diverted in CYs 2013-2018 are calculated by subtracting actual Medicaid member months (Table 2B) from the Medicaid without waiver member months without the SC waiver (Table 1B).

⁴ The availability of Medicare Part D is assumed to divert persons from enrolling in Medicaid since the availability of pharmacy coverage will result in better maintenance of health and postponing the need for long term care under Medicaid. Total Member Months diverted in CYs 2013-2018 were calculated utilizing the diversion level assumed in the previous approved waiver request for CY 2012 and using the footnote 1 assumption.

⁵ Both CYs 2013-2015 and the renewal period CYs 2016-2018 used the projected PMPM from the actual/projected Medicaid member expenditures (Table 2B). This PMPM assumes savings from having healthier members in Medicaid due to SeniorCare participation in earlier years. Comparing current Medicaid members to SeniorCare members in previous years, there are approximately 10,000 Medicaid members that previously participated in SeniorCare.