

STATE OF WISCONSIN DEPARTMENT OF HEALTH SERVICES

# Wisconsin SeniorCare

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A Pharmaceutical Benefit For Low-Income Seniors

1115 Demonstration Project Amendment  
Draft Amendment and Summary

Draft Application Date: September 1, 2020

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## **I. INTRODUCTION**

The Wisconsin Department of Health Services (DHS) requested a 10-year renewal of its section 1115 research and demonstration project for the SeniorCare Prescription Drug Assistance Program. The previous waiver was scheduled to expire on December 31, 2018. DHS requested that the waiver be renewed for an additional 10-year period, from January 1, 2019, to December 31, 2028. DHS received approval from the Centers for Medicare and Medicaid Services (CMS) on April 12, 2019.

### **Background**

On July 1, 2002, DHS received the necessary waiver approvals from CMS to operate a portion of SeniorCare, a prescription drug benefit for seniors, as a five-year demonstration project. The SeniorCare waiver extends Medicaid eligibility through Title XIX to cover prescription drugs as a necessary primary health care benefit.

The target population for services under the SeniorCare waiver program is seniors who are age 65 or older with income at or below 200 percent of the federal poverty level (FPL), which is \$25,520 for an individual and \$34,480 for a two-person family in 2020.

Since its implementation on September 1, 2002, the SeniorCare waiver program has successfully delivered a comprehensive outpatient drug benefit to more than 290,000 seniors in the state.

### **Advantages of SeniorCare**

#### ***Simple Application and Enrollment Process***

The SeniorCare application consists of a simple application form which must be mailed to the SeniorCare central application processing center with a \$30 enrollment fee. SeniorCare requires no asset test. Once approved, seniors are enrolled for a 12-month benefit period. Toward the end of the 12-month period, members are reminded that they must re-apply for enrollment in the program.

#### ***Open Formulary and Broad Network of Providers***

SeniorCare is a comprehensive drug benefit that is easy for seniors to access. SeniorCare has

an open formulary nearly identical to that of Wisconsin Medicaid and covers prescription drugs with a federal rebate agreement, as well as over-the-counter insulin. In addition, SeniorCare provides access to a robust network of pharmacies. More than 1,300 in-state pharmacies and another 100 out-of-state pharmacies are certified as SeniorCare providers.

### ***Affordable and Predictable Cost-Sharing for Members***

SeniorCare has predictable and affordable cost-sharing requirements. All SeniorCare members pay an annual \$30 enrollment fee and incur co-pays of just \$5 for generic drugs and \$15 for brand name drugs. Individuals or couples with income at or below 160 percent of the FPL have no other out-of-pocket costs. Those whose incomes fall between 160 percent and 200 percent of the FPL pay the first \$500 in prescription drug costs at the SeniorCare rate.

### ***Program Cost-Effectiveness***

SeniorCare is a financially efficient program for all payers. In calendar year (CY) 2017, total drug expenditures of \$109 million billed to the SeniorCare program were reduced by manufacturers' rebates, member cost sharing and third-party insurance to a total of just over \$23 million, which was paid for by state and federal tax dollars.

By leveraging rebates on this scale, which cover 52 percent of the amount paid to pharmacies, Wisconsin has successfully held drug companies accountable for contributing to reduced drug prices and the creation of an effective drug benefit.

### ***Medication Therapy Management***

SeniorCare offers a comprehensive Medication Therapy Management (MTM) benefit. MTM can improve member health and reduce overall costs to SeniorCare by educating members about their medications and improving adherence to drug regimens. SeniorCare members have received 9,054 intervention-based services and 793 Comprehensive Medication Review and Assessment (CMR/A) services from September 2012 to January 2018 (intervention based services are no longer a separately reimbursed service as of April 1, 2017). A reduction in inappropriate medication use and an increase in medication adherence can ensure seniors stay healthier and reduce any inappropriate medical expenditure.

### ***Continued Cost-Effectiveness with SeniorCare Waiver Renewal (Budget Neutrality)***

DHS projects that the SeniorCare waiver renewal will continue to reduce Medicaid expenditures for seniors who are age 65 or older, from what those expenditures would have been without the waiver, by providing primary care benefits for pharmacy coverage.

As in the original waiver period, budget neutrality will continue to be achieved by reducing the rate of increase in the use of non-pharmacy-related services provided to this population, including hospital, nursing facility and other medical services. These savings will offset the costs of continuing the SeniorCare waiver program. The Medicare program will also realize reductions in expenditures through reduced hospitalizations for this population group.

The SeniorCare waiver has achieved budget neutrality throughout the original waiver period, as well as all renewal periods. Initial estimates indicate that the SeniorCare waiver program savings were approximately \$40 million for state fiscal year (SFY) 2017.

Savings are the direct result of reduced Medicaid payments for hospital and nursing home care because seniors with SeniorCare prescription drug coverage are diverted from spending down income and assets to Medicaid eligibility levels. By keeping seniors healthier longer, SeniorCare reduces Medicare expenditures as well.

### ***Excellent Value for Members***

SeniorCare also provides exceptional value to its members. In SFY 2017, SeniorCare members had cost sharing of \$12.1 million in drug costs of \$109 million.

### ***Keeps Seniors Healthier, Longer, and Reduces Medicaid Costs***

SeniorCare benefits seniors by keeping them healthy through access to medications that are instrumental in the control and prevention of adverse health conditions. Keeping Wisconsin's seniors healthy mitigates costs related to receipt of Medicaid benefits.

## **II. ACCESS TO IMMUNIZATIONS**

2019 Wisconsin Act 185 (Act) was passed in April 2020. The Act amended the definition of prescription drugs to include vaccinations. The Act requires the SeniorCare program to cover vaccinations that are recommended by the Center for Disease Control and Prevention's advisory committee on immunization practices for administration to adults.

With the expansion of the definition of prescription drugs to include vaccinations, this closes the gap for seniors who do not have a Medicare Part B or Medicare Part D plan and would not be able to receive necessary vaccinations.

## **III. SENIORCARE OBJECTIVES**

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

Enrollment in programs such as Medicaid and Medicare Part D often require significant administrative burden and may lead to confusion and poor coverage decision-making by many seniors. SeniorCare provides a necessary prescription drug insurance benefit and essential immunization coverage with simple application, enrollment, and renewal processes that provide value for Wisconsin seniors.

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

Many seniors face problems affording medically necessary prescription drugs, including seniors enrolled in Medicare Part D. SeniorCare helps reduce these financial barriers by providing affordable and predictable cost sharing.

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

A senior who takes his or her medications is more likely to have reduced medical spending, therefore decreasing overall health care costs. SeniorCare helps to preserve the health and quality of life of the senior population, resulting in lower utilization and expenditures for other health care services and savings to the Medicare and Medicaid programs.

#### **IV. APPENDICES**

- Appendix A: Current Approved CMS waiver
- Appendix B: 2019 Wisconsin Act 185
  - Amends the definition of prescription drug to include vaccinations.
  - Requires SeniorCare to cover ACIP recommended vaccinations for adults
- Appendix C: Budget Neutrality
  - Updated budget neutrality report to include vaccinations.
- Appendix D: Revised Evaluation Design
  - Updated to include vaccination coverage in the evaluation.
- Appendix E: Public Comments
  - Public comment period is from September 23 through October 23, 2020.
  - Comments will be included in the final submission to CMS.