

**Wisconsin SeniorCare 1115 Demonstration  
Section 1115 Annual Report**

**Reporting Period: Calendar Year 2016  
(01/01/2016-12/31/2016)**

## Introduction

In June, 2015, the Wisconsin Department of Health Services (DHS) submitted an application to the Centers for Medicare and Medicaid Services (CMS) to extend Wisconsin's section 1115 Medicaid Demonstration Project in accordance with section 1115(a) of the Social Security Act. DHS received the approval for the 3-year renewal period from January 1, 2016 through December 31, 2018, on December 18, 2015.

The SeniorCare program offers a comprehensive prescription drug benefit to Wisconsin residents who are age 65 and older with income at or below 200 percent of the Federal Poverty Level (FPL) and are not otherwise receiving full Medicaid benefits. The program includes several innovative program features including: 1) a simple application and enrollment process; 2) an open formulary and broad network of providers; and 3) affordable cost-sharing for participants.

Key program goals include: 1) Keeping Wisconsin seniors healthy by continuing to provide a necessary primary health care benefit; 2) Helping control overall costs for the aged Medicaid population by preventing seniors from becoming eligible for Medicaid due to deteriorating health and spending down to Medicaid eligibility levels; 3) Promoting cost-effective and therapeutically appropriate services; and 4) Maintaining budget neutrality.

## SeniorCare Waiver Program Applications, Renewals and Enrollment

### Enrollment, New Applications, and Renewals

The table below provides monthly data on enrollment, new applications, renewals due and received, and renewal rates. In 2016, 84% of those that received a renewal notice sent in their renewal application. This is a slight increase from 83% in 2015.

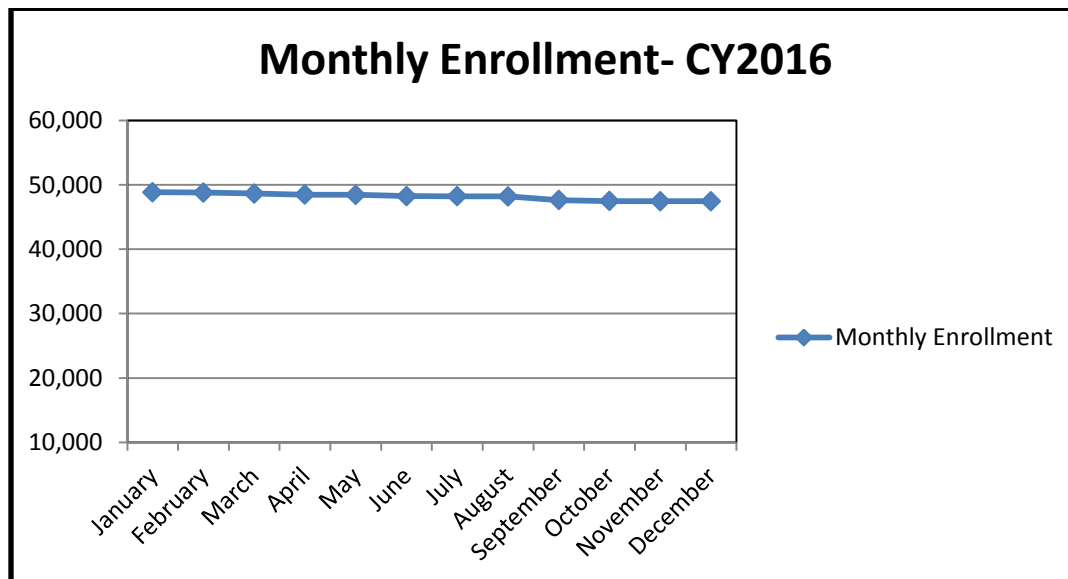
<b>SeniorCare Monthly Enrollment, New Applications, Renewals Due and Received and Renewal Rate 2016</b>						
<b>Month</b>	<b>Enrollment</b>	<b>New Applications</b>	<b>Renewals Due</b>	<b>Renewals Received</b>	<b>Dis-enrolled</b>	<b>Renewal Rate</b>
January	48,848	1,353	5,288	4,376	912	82%
February	48,787	1,089	4,365	3,672	693	84%
March	48,651	1,060	4,695	3,997	698	85%
April	48,475	1,242	4,702	3,945	757	83%
May	48,436	973	5,144	4,358	756	85%
June	48,252	1,083	3,730	3,163	567	84%
July	48,207	1,094	3,652	2,903	749	79%
August	48,198	1,057	8,373	7,430	943	88%
September	47,624	1,061	4,823	4,168	655	86%
October	47,469	1,575	6,354	5,422	932	85%
November	47,438	1,976	9,459	8,091	1,368	85%
December	47,439	3,145	13,422	11,193	2,229	83%
<b>Total</b>	<b>48,152*</b>	<b>16,708</b>	<b>73,977</b>	<b>62,718</b>	<b>11,259</b>	<b>84%*</b>

\*Denotes yearly average

As has been observed in prior years, new application requests were steady for most of the year and experienced a large increase in the fourth quarter. In addition, monthly renewal rates have an average annual renewal rate of 84%, which is consistent with the prior years' experience (see table below).

	2014	2015	2016
<b>Average Annual Renewal Rate</b>	81%	83%	84%

Waiver enrollment showed a relatively flat trend over the course of the year. New enrollment applications were larger than dis-enrollments by 5,449. Enrollment increases in the fourth quarter of the calendar year coincide with open enrollment for Medicare Part D. Average monthly enrollment was 48,152 in 2016.



### Operational Issues

The department communicated operational issues through ForwardHealth updates. ForwardHealth Update 2016-12 announced changes made to the overuse precaution (early refill) prospective DUR alert and other prospective DUR alerts.

### Financial/Budget Neutrality Development/Issues <sup>1</sup>

Below are expenditures, revenue and enrollment for the SeniorCare program in 2016. In the “Projections” column are the estimates that were submitted and approved in the 2012 waiver renewal application. In the “Actuals” column is the actual experience with the SeniorCare waiver program.

SeniorCare had less expenditures than originally projected. Rebate amounts are as of April 10, 2017.

<sup>1</sup> Data source: DHS data warehouse

## CY 2016 Enrollment and Expenditures

	<b>Projections</b>	<b>Actuals</b>
Enrollment	49,499	55,491
Gross Expenditures	\$123,636,526	\$82,068,981
Member Cost Sharing	\$13,622,167	\$11,487,144
Manufacturer Rebates	\$64,770,536	\$57,684,120
Net Expenditures	\$34,631,931	\$24,384,861

In addition, the Department monitors overall budget neutrality of the SeniorCare program in accordance with the specifications agreed to by DHS and CMS. Budget neutrality of SeniorCare is tested by comparing Medicaid expenditures for seniors with and without the SeniorCare waiver program. Attachment A compares these expenditures for CY 2016 and shows lower cumulative expenditures of almost \$223 million for seniors with the waiver.

### **Policy Development <sup>2</sup>**

SeniorCare is affected by pharmacy policy changes that are implemented across ForwardHealth benefit programs. Program-wide policy changes included the following:

In January and July of 2016, ForwardHealth implemented changes to the preferred drug list (PDL). Wisconsin participates in the TOP\$ program, a multi-state consortium of state Medicaid programs that negotiates preferred drug status and supplemental rebates with pharmaceutical manufacturers. Twice a year, ForwardHealth makes recommendations to the Wisconsin Medicaid Pharmacy PA Advisory Committee (PAC) on whether certain PDL drugs should be preferred or non-preferred. These recommendations are based primarily on objective evaluations of a drug's relative safety, effectiveness of the drug, clinical outcomes, and the relative cost of the drug (to Wisconsin Medicaid) in comparison with other therapeutically interchangeable alternative agents in the same drug class. The PAC reviews PDL-designated drug classes to ensure members have access to clinically appropriate, cost-effective medications. The PAC makes recommendations for preferred and non-preferred status of drugs to the Secretary of the Wisconsin Department of Health Services, who renders the final decision regarding a drug's status on the PDL.

ForwardHealth, including SeniorCare, also implemented several policy changes over the course of calendar year 2016: ForwardHealth communicated through several updates changes to pharmacy policies; required prior authorization for rosuvastatin tablets; and communicated policy changes and revisions to Prior Authorization (PA) criteria for hepatitis C agents.

### **Member Issues <sup>3</sup>**

#### Customer Service Hotline

The SeniorCare Customer Service Hotline is staffed with six full-time equivalent (FTE) correspondents. Calls received by the hotline can be classified into three categories:

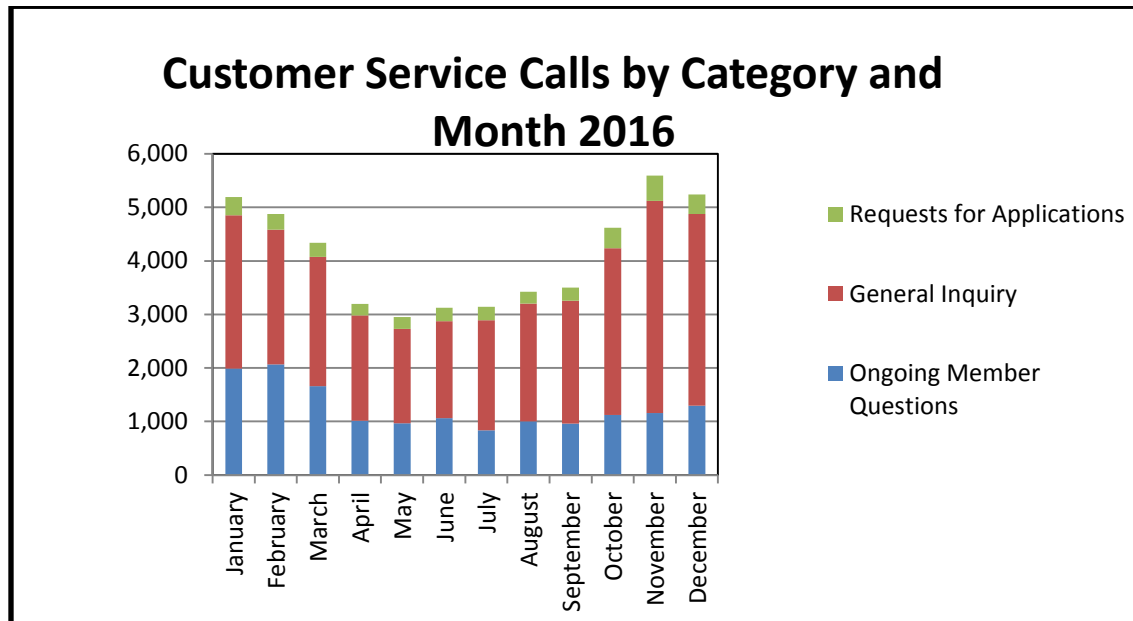
- 1) Members who want to report a change or have specific questions about benefits;
- 2) Non-members who have general inquiries about the program; and
- 3) Non-members requests for applications.

---

<sup>2</sup> Data source: Provider and member communications

<sup>3</sup> Data source: DHS Bureau of Enrollment

Below is a summary of 2016 calls received by the Hotline:



As in prior years, the majority of calls were for general member inquiries.

#### Requests for Fair Hearing

The SeniorCare unit received 6 requests for fair hearing in 2016. All 6 of the requests were withdrawn.

<b>2016 Disposition of Hearings</b>	
Dismissed by Judge	
Abandoned	
Remand	
Withdrawn	6
<b>Total</b>	<b>6</b>

#### **Quality Assurance/Monitoring Activity**

The Department's Medicaid Quality Control Section leads two federally –mandated Medicaid quality control programs: the Medicaid Eligibility Quality Control (MEQC) and the Payment Error Rate Measurement (PERM) programs. As part of the audits performed by the Quality Control Section, random samples of members are selected, including SeniorCare members, for a comprehensive eligibility review.

The Affordable Care Act (ACA) suspended formal MEQC and PERM requirements for 2014, 2015 and 2016. Instead, states have been directed to conduct targeted pilot reviews of ACA –affected populations. SeniorCare members are not part of the ACA –expansion or otherwise affected population. Therefore, SeniorCare members will not be part of the MEQC sections eligibility audits performed in 2014, 2015 and 2016.

## SeniorCare Advisory Committee

To assure ongoing communication and coordination with relevant stakeholders, the Department established the SeniorCare Advisory Committee. This committee convenes to discuss ongoing SeniorCare enrollment statistics, customer service issues, review policy considerations and discuss possible changes to benefit design.

The Department reached out to SAC members via email in December thanking the committee members for their continued support and dedication to the SeniorCare program. The email also detailed work that was done in 2016. The SeniorCare website is in the process of being revised. The information on the SeniorCare website has been verified and additional information has been added in order to help our SeniorCare members. The work on the website continues, including a SeniorCare Advisory Committee section.

The Department has also been working on revising the SeniorCare member handbook. Finally, the Department developed SeniorCare Advisory guidelines which have been shared with the committee.

## Benefits and Cost Sharing of Waiver Program

SeniorCare covers legend drugs and OTC insulin products of manufacturers that have signed a rebate agreement with the federal government.

All members pay a \$30 annual enrollment fee and have copayments of \$5 for generic drugs and \$15 for brand name drugs. Deductibles are as follows:

- Participation Level 1: At income at or below 160% FPL, members do not have a deductible.
- Participation Level 2a: At income greater than 160% and equal to or less than 200% FPL, the member pays a deductible, which is the first \$500 in drug costs. Members receive the discounted SeniorCare rate while meeting their deductible.

## 2016 SeniorCare Member Cost Sharing

Month of Service	Amount Allowed Detail	Co-pay Amount Detail	Deductible Amount
January	\$8,547,020	\$626,178	\$539,439
February	\$8,685,770	\$629,375	\$420,507
March	\$9,327,901	\$671,052	\$405,987
April	\$8,759,407	\$638,130	\$347,539
May	\$9,134,290	\$655,561	\$345,612
June	\$9,117,277	\$655,156	\$336,584
July	\$8,658,803	\$621,965	\$300,297
August	\$9,485,244	\$675,639	\$311,617
September	\$8,953,705	\$618,799	\$395,870
October	\$8,730,126	\$624,140	\$351,766
November	\$8,824,623	\$616,313	\$366,662
December	\$8,942,978	\$612,988	\$411,970
Total	\$107,167,145	\$7,645,296	\$4,533,852

## **Demonstration Evaluation**

Calendar year 2016 was used to analyze all of the relevant information to conduct a comprehensive SeniorCare evaluation. DHS leveraged a variety of resources including a member survey, enrollment data, claims data and state-wide statistics from the Department of Public Health. The Policy and Research Section (PRS) of the Office of Policy Initiatives and Budget (OPIB), an executive-level office attached to the Office of the Secretary of the Wisconsin Department of Health Services (DHS), defined and gathered data to conduct an analysis of the program. DHS is still completing the evaluation for submission to CMS.

## **Enclosure/Attachments**

Attachment A – CY2016 Wisconsin SeniorCare Budget Neutrality Report

## **State Contacts**

- Rachel Currans-Henry, Director, Bureau of Benefits Management:  
608 267-1421  
[Rachel.CurransHenry@dhs.wisconsin.gov](mailto:Rachel.CurransHenry@dhs.wisconsin.gov)
- Pam Appleby, Associate Director of Programs, Bureau of Benefits Management:  
608 261-9423  
[Pamela.Appleby@dhs.wisconsin.gov](mailto:Pamela.Appleby@dhs.wisconsin.gov)
- Kimberly Smithers, Pharmacy and Quality Section Chief, Bureau of Benefits Management:  
608 266-9988  
[Kimberly.Smithers@dhs.wisconsin.gov](mailto:Kimberly.Smithers@dhs.wisconsin.gov)
- Tiffany Reilly, Pharmacy Policy Analyst, Bureau of Benefits Management:  
608-266-9438  
[Tiffany.Reilly@dhs.wisconsin.gov](mailto:Tiffany.Reilly@dhs.wisconsin.gov)
- Pang Xiong, Bureau of Enrollment Services: 608-243-5755  
[PangA.Xiong@dhs.wisconsin.gov](mailto:PangA.Xiong@dhs.wisconsin.gov)

**Date Submitted to CMS: April 14, 2017**