

Public Notice
Health Services
Medicaid Reimbursement for Inpatient Hospital Services:
Pay-for-Performance Program Updates

The State of Wisconsin reimburses hospitals for inpatient services provided to Medical Assistance recipients under the authority of Title XIX of the Social Security Act and Chapter 49 of the Wisconsin Statutes. This program, administered by the State's Department of Health Services (the Department), is called Medical Assistance or Medicaid. In addition, Wisconsin has expanded this program to create the BadgerCare Plus program under the authority of Title XIX and Title XXI of the Social Security Act and Chapter 49 of the Wisconsin Statutes. Collectively, these programs are herein referred to as the Wisconsin Medicaid Program (WMP). Federal statutes and regulations require that a State Plan be developed that provides the methods and standards for reimbursement of covered services. Such a plan is currently in effect.

To promote quality outcomes for its members, the WMP currently operates two distinct pay-for-performance (P4P) programs covering inpatient hospital services: the Assessment P4P program, funded by a \$5 million (All Funds) allocation from the WMP's Hospital Assessment program, and the Withhold P4P program, funded by a 1.5% withhold from fee-for-service (FFS) inpatient hospital claims. The two programs use different quality metrics and distribution methodologies to pay out their funds each year.

Effective April 1, 2017, DHS will discontinue the Withhold P4P program. The Assessment P4P program will continue, with the measurement year for that program updated to coincide with the measurement year for hospital rate setting. The following changes will be contained in the inpatient hospital state plan amendment to be effective April 1, 2017:

- The list of quality measures for the assessment P4P programs may be updated to reflect data availability and program improvement for the Measurement Year starting April 1, 2017.
- An updated P4P Guide will be published detailing all of the above changes to the Wisconsin Medicaid Hospital P4P programs for the Measurement Year starting April 1, 2017.

This notification is intended to provide notice of the type of changes that are included in the amendment. Interested parties should obtain a copy of the actual proposed plan amendment to comprehensively review the scope of all changes.

Proposed Change

It is estimated that these changes will have no material impact on projected annual aggregate Medicaid expenditures in state fiscal year 2017 (July 1, 2016 – June 30, 2017) or state fiscal year 2018 (July 1, 2017 – June 30, 2018). DHS maintains the same hospital budget approved by the Legislature.

The Department's proposal involves no change in the definition of those eligible to receive benefits under Medicaid, and the benefits available to eligible recipients remains the same. The effective date for these proposed changes will be April 1, 2017.

Copies of the Proposed Change

A copy of the proposed change may be obtained free of charge at your local county agency or by calling or writing as follows:

Regular Mail
Division of Medicaid Services

P.O. Box 309
Madison, WI 53701-0309

State Contact

Ben Nerad, Hospital Policy and Rate Setting Section Chief
Bureau of Fiscal Management
(608) 261-8397 (phone)
(608) 266-1096 (fax)
Benjamin.Nerad@wisconsin.gov

A copy of the proposed change is available for review at the main office of any county department of social services or human services.

Written Comments

Written comments are welcome. Written comments on the proposed change may be sent by fax, email, or regular mail per the above information. All written comments received will be reviewed, considered, and made available for public review between the hours of 7:45 a.m. and 4:30 p.m. daily in Room 350 of the State Office Building, 1 West Wilson Street, Madison, Wisconsin. Revisions may be made to the proposed change based on comments received.