State of Wisconsin

SENATE CHAIR
Alberta Darling

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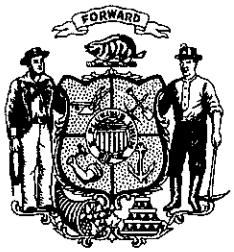

ASSEMBLY CHAIR
John Nygren

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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: May 21, 2019

Re: 14-Day Passive Review Approval – DHS

Pursuant to s. 20.940(3)(a)1, Stats., attached is a 14-day passive review request from the Department of Health Services, received on May 21, 2019.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than Monday, June 10, 2019, if you have any concerns about the request or if you would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

Attachments

AD:JN:jm

State of Wisconsin
Department of Health Services
Tony Evers, Governor
Andrea Palm, Secretary

May 20, 2019

MAY 21 2019
JT. Finance

The Honorable Alberta Darling, Senate Co-Chair
Joint Committee on Finance
Room 317 East
State Capitol
P.O. Box 7882
Madison, WI 53707

The Honorable John Nygren, Assembly Co-Chair
Joint Committee on Finance
Room 309 East
State Capitol
P.O. Box 8953
Madison, WI 53708

Dear Senator Darling and Representative Nygren:

Per s. 20.940(3)(a)1., created by 2017 Act 370, I am requesting to extend the timeline for submitting a federal demonstration project request for the Medicaid Health Savings Account (HSA) program by 90 days, to August 28, 2019.

On March 1, 2019, I submitted to the Committee an implementation plan for the program that indicated DHS planned to submit the demonstration project request to the Centers for Medicare and Medicaid Services (CMS) by May 30, 2019, as required by Act 370.

Since that time, the Department researched Medicaid HSA designs in other states. Four states, Indiana, Michigan, Arizona, and Arkansas, have implemented HSAs, with Arkansas discontinuing its program after 18 months. It is our understanding that Indiana and Michigan have used HSAs for deductibles and copays, while Arizona allows members who contribute to HSAs to spend their accounts for health care related goods and services. Because few states have implemented HSAs, Wisconsin has a limited sample size of experience about how to design a successful program.

On May 14, 2019, the Department sent a letter to CMS asking for guidance on which populations CMS would allow mandatory HSA participation, the available funding sources for funds in the accounts, the allowable expenditures for HSA funds, and the appropriate waiver authority the

state would need to implement the HSA program. The Department asks that the Committee grant a 90 day extension to allow time to receive a response from CMS and design a proposal based on the CMS guidance.

Thank you for considering this request. Please contact me with any questions.

Sincerely,

Andrea Palm
Secretary-designee