State of Wisconsin

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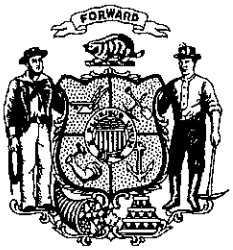

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Joint Committee on Finance

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: November 5, 2019

Re: 14-Day Passive Review Approval – DHS

Pursuant to s. 20.940(3)(c)1, Stats., attached is a 14-day passive review request from the Department of Health Services, received on November 5, 2019.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Friday, November 22, 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

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Jt. Finance

November 5, 2019

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)(c)1., I am submitting, for Committee approval under 14-day passive review, an implementation plan for a component of the BadgerCare Reform Demonstration Project related to coverage of residential substance use disorder treatment for all BadgerCare Plus and Medicaid members.

The implementation plan is attached. Please contact me with any questions.

Sincerely,

Andrea Palm
Secretary-designee

DHS Final Implementation Plan
BadgerCare Reform 1115 Demonstration Project

Per s. 20.940(3)(c)(1), this document describes the Wisconsin Department of Health Services' plan to implement the full coverage of residential substance use disorder (SUD) treatment for all BadgerCare Plus and Medicaid members under the federally approved waiver amendment for the BadgerCare Reform 1115 Demonstration Project. DHS is submitting this final plan for approval.

On October 22, 2019, the Centers for Medicare and Medicaid Services (CMS) reviewed the Department's SUD Implementation Plan Protocol as required by Special Terms and Conditions (STC) 27 of the BadgerCare Reform Medicaid section 1115 demonstration and determined that it is consistent with the requirements outlined in the STCs. Therefore, Wisconsin may now begin receiving Federal Financial Participation (FFP) for Medicaid recipients residing in Institutions for Mental Disease (IMD) through December 31, 2023.

As described below, DHS has begun pre-implementation outreach and communication activities and will implement the full coverage of residential substance use disorder (SUD) treatment for all BadgerCare Plus and Medicaid members on February 1, 2020. Any delay in approval of this final implementation plan could affect this timeline.

1. Overview of the BadgerCare Reform Demonstration Project

Under the BadgerCare Reform 1115 Demonstration Project, Wisconsin is eligible for federal Medicaid matching funds to provide health care coverage for childless adults between the ages of 19 and 64 years old who have income at or below 100 percent of the federal poverty level (FPL); additionally, the demonstration will include a SUD program available to all Wisconsin Medicaid beneficiaries.

The BadgerCare Reform 1115 Demonstration Project includes the following changes outlined in the Special Terms and Conditions of the BadgerCare Reform 1115 Demonstration Project amendment approved October 31, 2018:

- Community engagement requirements, including limiting benefit eligibility to 48 months for non-compliance.
- Monthly premiums, modifiable based on household income and healthy behavior incentives, and for which non-payment may result in a period of ineligibility.
- Healthy behavior incentives applied as a reduction in the monthly premium amount.
- An $8 copayment for non-emergent use of an emergency department (ED).
- Full coverage of residential substance use disorder (SUD) treatment for all BadgerCare Plus and Medicaid members.

2. Notification of Implementation Plan Status

Per s. 20.940(3)(c)(1), when DHS submits an implementation plan that it considers its final implementation plan, it may not implement the approved portions of the request until the Joint Committee on Finance approves the final implementation plan.

Indicate below whether this submission represents an intermediate implementation plan or the DHS final implementation plan.

☐ INTERMEDIATE IMPLEMENTATION PLAN

☒ FINAL IMPLEMENTATION PLAN (SUD TREATMENT COMPONENT)

3. Implementation Plan and Expected Timeline

In accordance with 2017 Wisconsin Act 370, DHS plans to implement the following component of the BadgerCare Reform 1115 Demonstration Project amendment effective February 1, 2020:

- Full coverage of residential substance use disorder (SUD) treatment for all BadgerCare Plus and Medicaid members.

The DHS final implementation plan for the residential SUD treatment benefit reflects the agency's goal of implementing these policies in a timely manner and in the most effective and efficient way for our members, staff, stakeholders, and the state.

The following components were previously approved in a final implementation plan submitted to the Joint Committee on Finance in September 2019:

- Monthly premiums, modifiable based on household income and healthy behavior incentives, and for which non-payment may result in a period of ineligibility.
- Healthy behavior incentives applied as a reduction in the monthly premium amount.
- An $8 copayment for non-emergent use of an emergency department (ED).

DHS continues to work towards implementation of the community engagement component of the BadgerCare Reform 1115 Demonstration Project amendment and will provide updates on implementation planning in monthly progress reports to the Joint Committee on Finance.

Substance Use Disorder (SUD) Program

The BadgerCare Reform 1115 Demonstration Project was amended to create a residential substance use disorder (SUD) program for all Wisconsin Medicaid beneficiaries. This program is intended to be part of Wisconsin's comprehensive statewide strategy for combating substance

use disorders, including opioid use disorders, and thus expands the SUD benefit package to cover short-term residential services in facilities previously excluded from reimbursement as institutions for mental disease (IMDs).

DHS has received the necessary approval from CMS to receive federal reimbursement for SUD treatment services provided to Medicaid recipients residing in IMDs and will continue pre-implementation activities in preparation for a benefit effective date of February 1, 2020. DHS will implement a new benefit for the residential treatment level of care, including coverage of treatment for persons ages 22 to 64 within IMD facilities not otherwise eligible for reimbursement. Coverage for this benefit will align with national standards developed by the American Society of Addiction Medicine (ASAM) Level of Care 3 criteria and state regulations. DHS will establish a bundled coverage and reimbursement approach for residential treatment.

Expected Timeline for SUD Program

Pre-implementation outreach to internal and external stakeholder groups began in October 2019 and will continue through November and December 2019 via in-person presentations, the release of the partner toolkit, and updates to DHS websites. Provider communications will include:

- First ForwardHealth Provider Update issued in November, 2019
- Partner Tool Kit available on the DHS Website in November, 2019 (including FAQs and additional benefit information)
- Second ForwardHealth Provider Updated issued in December, 2019

DHS will also communicate with members prior to the benefit effective date, in line with best practices for the implementation of a new benefit of this scale.

On November 1, 2019, DHS began processing applications from residential SUD treatment providers for enrollment with Medicaid. To be eligible for enrollment as a residential SUD treatment provider, Wisconsin Medicaid requires providers to be certified by the Division of Quality Assurance (DQA) as either a Medically-Monitored Residential Treatment Facility and/or as a Transitional Residential Facility.

Coverage for the residential treatment level of care will begin on February 1, 2020 for all Medicaid members. Implementation will include review of prior authorization requests and reimbursement of healthcare claims. Additionally, the monitoring and reporting team will provide the required reporting metrics, as outlined in CMS documentation.

Due to the limited number of providers and the barriers to access members may face, DHS will continue to monitor the implementation and uptake of the benefit to better understand how to serve our member populations. DHS intends to actively monitor service utilization and access to

care so that the Department can work with partners to support the development of treatment resources in underserved areas and address underlying factors limiting access. Initiatives to remove treatment barriers will be prioritized so that members can access SUD treatment at the appropriate level of care.