

# State of Wisconsin

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## Joint Committee on Finance

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative John Nygren

Date: January 29, 2020

Re: 14-Day Passive Review Approval – DHS

Pursuant to 2017 Act 370 Section 44(3), attached is a 14-day passive review request from the Department of Health Services, received on January 29, 2020.

Please review the material and notify **Senator Darling** or **Representative Nygren** no later than **Monday, February 17, 2020**, 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-designee

January 30, 2020

JAN 29 2020  
*J. 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:

This letter provides an implementation progress report on the BadgerCare Reform Demonstration Project and requests an extension of the implementation deadline for the Community Engagement component of the project.

On September 19, 2019, DHS requested a 90-day extension of the implementation deadline for two components of the BadgerCare Reform Demonstration, pertaining to the community engagement plan for childless adults and the availability of residential substance use disorder (SUD) treatment services for all BadgerCare and Medicaid members. On October 8, 2019, the Committee approved this request, extending the implementation deadline to January 30, 2020. It also approved final implementation plans for the monthly premiums, healthy behavior incentives, and co-payments for non-emergent use of emergency rooms. On November 22, 2019, the Committee approved the final implementation plan for the SUD Treatment Services component of the Demonstration.

The Department continues its work toward implementation of the Community Engagement component of the BadgerCare Reform Demonstration. DHS received complete initial feedback from CMS on the Community Engagement implementation plan in January and is responding to feedback. Given the continued engagement with CMS, the Department is unable to move forward with member notification and complete other implementation tasks in time for a February 1, 2020 effective date. Per section 44(3) of 2017 Act 370, I request an additional 90-day extension of the implementation deadline for the Community Engagement component of the BadgerCare Reform Demonstration Project, to April 29, 2020.

Senator Alberta Darling  
Representative John Nygren  
January 30, 2020

As DHS moves forward with implementation of the approved components of the BadgerCare Reform Demonstration Project, an extension of the implementation deadline for Community Engagement will allow DHS to engage with CMS and continue to respond to their comments on the Department's proposed plan.

Per s. 20.940(3)(c)2, this letter also includes a report on the Department's progress toward implementing the Community Engagement component of the BadgerCare Reform Demonstration for childless adult members. This report provides additional detail regarding the Department's need for an extension of the implementation deadline for the Community Engagement component of the Demonstration.

The progress report is attached. Please contact me with any questions.

Sincerely,

A handwritten signature in black ink, appearing to be 'Andrea Palm', written over a horizontal line.

Andrea Palm  
Secretary-designee

Enclosure

Senator Alberta Darling  
Representative John Nygren  
January 30, 2020

## **BadgerCare Reform January 2020 Progress Report**

Per s. 20.940(3)(c)2., this document provides a monthly report of the Wisconsin Department of Health Services' progress toward implementing the federally approved waiver for the BadgerCare Reform 1115 Demonstration Project.

**Reporting Period:** January 1, 2020 – January 31, 2020

### **1. Overview of the 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). Per the October 31, 2018 approved BadgerCare Reform 1115 Demonstration Project amendment, DHS is in the process of implementing the approved changes, including:

- Monthly premiums based on household income and healthy behaviors
- Emergency department copayments for non-emergency use of services
- Health risk assessment (HRA)
- Limiting benefit eligibility to 48 months for noncompliance with community engagement requirements
- Full coverage of residential substance use disorder (SUD) treatment

The Department submitted the DHS Final Implementation Plan on the BadgerCare Reform 1115 Demonstration Project to the Joint Finance Committee on September 19, 2019. The report laid out the final implementation plan for: monthly premiums, emergency department copayments, and the health risk assessment; 90-day extensions were requested for the community engagement and SUD treatment components. The Committee approved the September 2019 implementation plan, including the 90-day extension requests, under passive review on October 8, 2019.

On October 22, 2019, CMS reviewed the SUD Implementation Plan Protocol as required by Item 27 in the Special Terms and Conditions (STC) of the BadgerCare Reform Medicaid 1115 Demonstration Project and determined that it is consistent with the requirements outlined in the STCs. Therefore, Wisconsin may now begin receiving Federal Financial Participation (FFP) for SUD Residential Treatment services for Medicaid recipients residing in Institutions for Mental Disease (IMD) through December 31, 2023. On November 5, 2019 the Department submitted the DHS Final Implementation Plan for the SUD Residential Treatment Benefit to the Joint Finance Committee, and the Committee approved the plan under passive review on November 22, 2019.

This month's progress report includes updates for the community engagement component of the BadgerCare Reform 1115 Demonstration Project. It also provides updates on Evaluation Design and Monitoring & Reporting milestones.

Senator Alberta Darling  
Representative John Nygren  
January 30, 2020

## **2. Activity During the Current Reporting Period ( January 1, 2020 – January 31, 2020)**

During the month of January 2020, DHS held meetings to coordinate the implementation of the BadgerCare Reform project planning and development, including:

- Project status meetings with Division of Medicaid Services (DMS) administrative team and the project manager.
- Project steering committee meetings.
- Project coordination meetings to facilitate communication and policy and business process alignment across workgroups.
- Project workgroup meetings to discuss policy and business process development.

This month, DHS also engaged in waiver implementation discussions with the Centers for Medicare & Medicaid Services, including:

- On January 10, 2020, DHS contacted CMS to inquire about the timeframe in which CMS might provide complete initial feedback on the Community Engagement Implementation Plan.
- CMS provided complete initial feedback on all components of the Community Engagement Implementation Plan.
- DHS reviewed CMS comments provided with respect to the Community Engagement Implementation Plan and began to submit responses to CMS.
- The CMS monthly monitoring call, scheduled for January 13, 2020, was cancelled by CMS. The stated reason for cancellation was because CMS had insufficient information to share with the state at that time. The next regularly scheduled monitoring call is set for February 10, 2020.
- On January 10, 2020, DHS requested an update from CMS on the progress of their review of the updated evaluation design.
- On January 22, 2020 CMS notified DHS of the acceptance of the most recently submitted quarterly monitoring report.

### *Community Engagement*

The DHS Community Engagement Implementation Plan detailing the request to limit benefit eligibility to 48 months for noncompliance with community engagement requirements, was submitted to CMS on July 8, 2019. DHS received complete comments from CMS on all components of the Community Engagement Implementation plan in January 2020. After a thorough review of the comments, DHS began submitting responses to CMS requests for additional information. DHS believes attention to detail and compliance with CMS direction will be essential for the successful implementation and long-term success of Community Engagement in Wisconsin. DHS continues to monitor the legal challenges other states have experienced pertaining to implementing community engagement. DHS remains committed to working with CMS to respond to their feedback on the Community Engagement Implementation plan to ensure success.