MEMORANDUM

To: Members
   Joint Committee on Finance

From: Senator Alberta Darling
       Representative John Nygren

Date: March 1, 2019

Re: DHS Plan to JFC

Attached is an implementation plan for developing a federal demonstration project request for the Medicaid Health Savings Account program from the Department of Health Services, pursuant to s. 20.940(3)(a)1, Stats.

This report is being provided for your information only. No action by the Committee is required. Please feel free to contact us if you have any questions.

Attachments

AD:JN:jm
March 1, 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)(a)1., created by 2017 Act 370, I am submitting an implementation plan for developing a federal demonstration project request for the Medicaid Health Savings Account program, which was created under 2017 Act 271.

The implementation plan is attached. Please contact me if you have any questions about this plan.

Sincerely,

Andrea Palm
Secretary
MEDICAID HEALTH SAVINGS ACCOUNT PROGRAM
Department of Health Services Implementation Plan for Submission of a
Medicaid Section 1115 Demonstration Project Application to the
Centers for Medicare and Medicaid Services (CMS)

Per s. 20.940(3)(a)1., this document describes an implementation plan for development and
submission by the Wisconsin Department of Health Services (DHS) of an application for a
federal Medicaid Section 1115 demonstration project to implement a Medicaid Health Savings
Account program.

Expected date for submission of the application to CMS: May 30, 2019

1. Summary of the Medicaid Health Savings Account Program

The Medicaid Health Savings Account (MHSA) program under s.49.45 (60) was created by
2017 Wisconsin Act 271. This program requires DHS to submit a request to CMS to
establish and implement a MHSA program. The statute directs these accounts to be similar in
function and operation to traditional health savings accounts. Furthermore, DHS may not
require MHSA program participation of individuals who are elderly, blind, or disabled.

Health savings accounts traditionally serve as an opportunity for members to directly
participate both financially and personally in their healthcare decisions. DHS is in the process
of researching options for implementing an MHSA program.

Ultimately, DHS is exploring plan designs that leverage MHSA as one of tools employed by
the State to provide members with options to actively participate in decisions regarding their
health. Through the MHSA program, DHS will ensure continuing access to quality health
care statewide and reduction of health disparities.

2. Process to Submit Waiver Requests

Information Gathering and Stakeholder Engagement
DHS is investigating policy options for designing an innovative and accessible MHSA
program that supports members’ ability to invest in and achieve positive health outcomes,
including support for wellness activities. Policy options being considered include who can
use an MHSA, options for how the MHSA relates to the member’s benefits, how they will
contribute to the MHSA, and effective MHSA policies that positively impact members’
health and social determinants of health.

Additionally, DHS research will include analyzing the policies and procedures of other states
and various healthcare coverage programs—both privately and publicly funded—with
similar health savings account programs to identify best practices and lessons learned.

In order to further evaluate the effectiveness of these policies, the department will consult
with various state agencies (such as ETF), commercial insurance, health plans, advocates,
and necessary stakeholders to ensure all best practices are being considered. This engagement serves as a critical component in assessing the various avenues in improving health outcomes through MSHAs.

Request for Information and Review Options
Once the information gathering phase and stakeholder engagement is complete, DHS intends to put forth a Request for Information (RFI) regarding technology options for implementation. The goals of the RFI include:

- Identifying vendors who have experience administering HSAs.
- Improving DHS’s understanding of available technology for managing a HSA.
- Estimating for implementing costs and operation of HSA throughout the state of Wisconsin.

DHS will compile and review all submissions from the RFI. Using a diverse internal work group and consulting stakeholders, DHS will evaluate and summarize the findings.

Consult with Advocacy Groups
DHS will reach out to member groups and member advocates to present research, policy and RFI findings. The goal of engagement is to encourage feedback on how various implementation options will affect member’s healthcare experience, their financial impact, and wellness empowerment. Moreover, DHS will seek feedback on the role MHSA can play in reducing health disparities and improving equity in access to services.

Finalize policy decisions and draft waiver
DHS will take into consideration its research and policy analysis, stakeholder engagement, RFI submissions and feedback from advocacy groups to draft the Wisconsin’s MHSA waiver application.

3. Expected Timeline for Development and Submission

To implement an MHSA program, DHS must develop, submit, and receive federal approval to operate a Medicaid Section 1115 Demonstration Project. Per the requirements of s. 20.940(3)(a), DHS must submit its MHSA Demonstration Project request to CMS within 90 days of this submission, or May 30, 2019. During the next 90 day period, DHS will undertake the following activities to develop and submit the MHSA Demonstration Project application:

- Coordinate and consult with stakeholders and appropriate DHS leadership for MHSA policy and benefit development
- Develop the proposed MHSA Demonstration Project application and complete the internal DHS review process, including an approvable budget neutrality approach
- Notify tribes at least 60 days prior to submitting the MHSA Demonstration Project application to CMS
- Initiate the required 30-day public comment period, including public notices and two public hearings
• Compile and take into consideration all public comments and edit the draft MHSA Demonstration Project application based on stakeholder comments
• Submit the final MHSA Demonstration Project application to the Joint Committee on Finance (JFC) for review and approval
• Submit the JFC-approved MHSA Demonstration Project application to CMS on May 30, 2019.