

STATE OF WISCONSIN

SENATE CHAIR
Alberta Darling

317 East, State Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-5830



ASSEMBLY CHAIR
John Nygren

308 East, State Capitol
P.O. Box 8953
Madison, WI 53708-8953
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: September 3, 2019

Re: DHS Report to JFC

Attached is an implementation progress report for the BadgerCare Reform Demonstration Project from the Department of Health Services, pursuant to s. 20.940(3)(c)2, 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



State of Wisconsin
Department of Health Services

Tony Evers, Governor
Andrea Palm, Secretary

August 30, 2019

SEP 03 2019
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:

Per s. 20.940(3)(c)2., created by 2017 Act 370, I am submitting an implementation progress report for the BadgerCare Reform Demonstration Project, which was approved by the federal Centers for Medicare and Medicaid Services on October 31, 2018.

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

Sincerely,

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

Andrea Palm
Secretary-designee

DHS Implementation Progress Report BadgerCare Reform 1115 Demonstration Project

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

Reporting Period: August 1, 2019 – August 31, 2019

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).

DHS continues to work towards implementation of 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 a healthy behavior incentive, and for which non-payment may result in a period of ineligibility.
- 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. Activity During the Current Reporting Period (August 1, 2019 – August 31, 2019)

During the month of August 2019, DHS continued to engage in activities designed to coordinate implementation of the approved changes in the most effective and efficient way for our members, staff, stakeholders, and the state. Activities during the month of August included: project steering committee meetings, project status meetings with Division of Medicaid Services (DMS) administrative team and project team, project workgroup meetings, and numerous meetings with vendor staff to plan development of the member-facing systems necessary to support participation in demonstration project activities.

In August, DHS continued to make progress in developing the outreach and communications infrastructure and materials necessary to support demonstration project implementation. DHS will coordinate outreach efforts with community partners, advocates, health plans and providers to educate individuals about the demonstration using a 'train-the-trainer' education model and

provision of a partner toolkit comprised of Frequently Asked Questions (FAQs), social media posts, talking points, and other materials for our partners who engage with Medicaid members to train them on the new requirements. In addition, DHS is developing direct member communications to notify members by mail, through updates to the Eligibility and Benefits Handbook updates and through a digital media campaign designed to deliver key messages to members and partner organizations, including social media updates, online videos, a new project homepage, and email messages.

DHS also continued implementation discussions with the Centers for Medicare and Medicaid Services (CMS) and development of the deliverables required by the Section 1115 Demonstration Project Special Terms and Conditions throughout the month of August. This month, DHS is developing draft monitoring protocols for the SUD and eligibility components of the amendment as required, and once submitted will continue to engage with CMS to address any questions or concerns as needed prior to final approval. DHS is also continuing to work with CMS to finalize the following deliverables:

- Community Engagement Implementation Plan: DHS submitted a draft community engagement implementation plan to CMS on July 8, 2019. This proposal was discussed with CMS during a phone conference on August 23, 2019. The Department will continue to work with CMS on the details of the plan. Our next scheduled call will be on September 9, 2019. If approved by CMS, the community engagement implementation plan would be incorporated in the state's Special Terms and Conditions as Attachment G.
- SUD Implementation Plan: DHS resubmitted a draft of the SUD implementation plan to CMS on July 26, 2019, after incorporating the agency's initial feedback. DHS received additional comments from CMS this month, and is working to update the draft accordingly. DHS is seeking implementation of a new Medicaid benefit for residential treatment level of care, including coverage of treatment in institutions for mental disease (IMDs), which are otherwise ineligible for reimbursement under the Medicaid program. The proposed new benefit would align with national standards developed by the American Society of Addiction Medicine (ASAM) Level of Care 3 criteria and state regulations. The DHS proposal includes a bundled coverage and reimbursement model for residential treatment. Upon approval of the SUD implementation plan, the document will be incorporated as Attachment B in the state's Special Terms and Conditions. The state may not claim federal financial participation (FFP) for services provided under the demonstration until CMS has approved the SUD implementation plan.
- Draft Evaluation Design: On July 26, 2019, DHS submitted to CMS a draft evaluation design for the BadgerCare Reform Demonstration Project, prepared by the University of Wisconsin Institute for Research on Poverty. The proposal is currently under CMS review and DHS is awaiting feedback. The proposed evaluation uses econometric methods to assess how

changes implemented under the amended demonstration project affect two Medicaid populations: 1) childless adults with an effective income at or below 100% of the FPL, and 2) all Medicaid beneficiaries eligible for expanded coverage of SUD treatment services. The evaluation design addresses all demonstration project components defined by DHS and approved by CMS. DHS must submit a revised draft evaluation design within sixty (60) days after receipt of CMS comments. Upon approval of the draft evaluation design, the document will be incorporated as an attachment to the state's Special Terms and Conditions.

3. Updated Implementation Plan and Expected Timeline

In accordance with 2017 Wisconsin Act 370, DHS continues to work towards implementing the BadgerCare Reform 1115 Demonstration Project by November 1, 2019. If CMS requires further modifications to the deliverables required by the Special Terms and Conditions, or if CMS otherwise delays approval of the drafts currently under review, the project timeline could be affected.