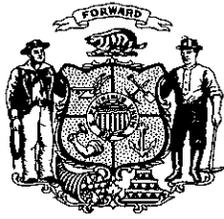


# STATE OF WISCONSIN

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: November 1, 2019

Re: DHS Report to JFC

Attached is a report on 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

October 31, 2019

MAY 01 2019  
St. 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".

Andrea Palm  
Secretary-designee

## **DHS Implementation Progress Report BadgerCare Reform 1115 Demonstration Project**

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:** October 1, 2019 – October 31, 2019

### **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<sup>th</sup>, 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. This September 2019 implementation plan, including the 90-day extension requests, received passive approval from the JFC on October 8<sup>th</sup>, 2019.

On October 22, 2019, the Centers for Medicare and Medicaid Services (CMS) reviewed the 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.

The Department will soon submit a final implementation plan to JFC for approval of the SUD components of the waiver in a separate letter to the committee. Therefore, this October 2019 progress report addresses updates only for the community engagement component of the BadgerCare Reform 1115 Demonstration Project.

## **2. Activity During the Current Reporting Period (October 1, 2019 – October 31, 2019)**

During the month of October 2019, DHS held meetings to coordinate 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.
- Tribal consultation meeting with DHS leadership and tribal leadership on October 29, 2019.

This month, DHS also engaged in waiver implementation discussions with the CMS, through which:

- CMS received clarifying answers with respect to questions about the systems to be used for Community Engagement (e.g., how members can report their time)
- CMS provided feedback on the Draft Evaluation Design
- Additionally, CMS has scheduled a call on October 30<sup>th</sup>, 2019 to discuss topics including:
  - Tribal consultation.
  - Evaluation design feedback.
  - Timeline and progress on monitoring protocols required under STC 28 and STC 44 of the BadgerCare Reform Demonstration Project. CMS requires quarterly and annual reporting of metrics to monitor the impact of the waiver to ensure alignment of the stated goal in the demonstration application; the protocols provide the framework for this reporting.

### ***Community Engagement***

The DHS plan for community engagement (CE), specifically with regard to limiting benefit eligibility to 48 months for noncompliance with community engagement requirements, was submitted to CMS on July 8<sup>th</sup>, 2019. The plan consists of seven sections which detail steps to: specify community engagement policies, establish beneficiary supports and modifications, establish procedures for enrollment, verification, and reporting, operationalize strategies for noncompliance, develop a comprehensive communications strategy, establish continuous monitoring, and develop, modify, and maintain systems. As of the drafting of this progress report, CMS has provided preliminary feedback on the first six components of the implementation plan, but the department is still waiting for CMS responses on the seventh

section. The feedback that CMS has provided to date is comprehensive and detailed in nature; for example, commentary includes:

“The state should finalize processes and trainings prior to implementation. The CE reporting module should be operational prior to implementation. Formal communication with beneficiaries should occur prior to implementation of CE requirements. Will information regarding CE requirements be accessible through the mobile app? “For those beneficiaries where another language is needed, how are they informed that a language line is available? Please describe how the state will ensure that materials or communications are accessible to beneficiaries in rural areas and to other diverse groups. Please describe the timeline for developing translated communications.”

“It would be helpful for CMS to see samples of the assessments done by the Employment and Training Program, or the state should provide additional details on what questions are asked in the assessments. While the state is still finalizing several details in this area, resolving these matters prior to implementation would be very important for seamless implementation. To that end, more specifics on how the state will determine if CE activities are available during a range of times, through a variety of means and throughout the year would be useful. Similarly, the state should finalize plans to identify gaps and determine a course of action to take if available CE opportunities are deemed unsuitable. What will the timeline for reviewing if CE activities are available?”

These examples illustrate the substantive nature of CMS’ comments, which require considerable investment of resources by the Department to address requested changes in preparation for implementation of the community engagement requirement. DHS has reviewed the initial comments from CMS and has begun evaluating the impact on the policy and system design for community engagement. However, CMS has indicated additional comments are forthcoming. Therefore, DHS will submit an updated plan to CMS once all comments have been addressed. Attention to detail and compliance with CMS guidance is essential.

### ***Evaluation Design***

As required by the Special Terms and Conditions, DHS is working with CMS to establish an Evaluation Design, which will support the evaluation over the duration of the demonstration. On October 23, 2019 CMS provided feedback on the Draft Evaluation Design. For example, CMS identified “limitations of beneficiary survey design, including the reliance on two cross-sectional samples, the adequacy of the survey data collection plans, and the sample sizes” as opportunities to improve the evaluation design. DHS will work to update the evaluation design plan and submit the updated plan before the deadline of December 21, 2019 pursuant to STC 72.

### ***Tribal Consultation***

As required by the state's Special Terms and Conditions, DHS has worked with CMS to identify necessary updates to the Tribal Consultation Plan, addressing tribal concerns related to the impact of the BadgerCare Reform amendment. Per CMS' guidance, DHS plans to present this information and request tribal feedback at the DHS Tribal Consultation meeting on October 29, 2019. DHS then plans to submit the updated Tribal Consultation Plan to CMS, which may include an exemption for tribal members from the community engagement requirement. Once finalized, the plan will be incorporated into the state's Special Terms and Conditions as Attachment I.

### **3. Updated Implementation Plan and Expected Timeline**

In accordance with 2017 Wisconsin Act 370 (Act 370) and the 90-day extension granted by the Joint Finance Committee on October 8, 2019, DHS continues to work towards implementing the BadgerCare Reform 1115 Demonstration Project by January 30, 2020.