

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 27, 2019

Re: DHS Report to JFC

Attached is a report on the BadgerCare 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

November 27, 2019

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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', with a long horizontal flourish extending to the right.

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: November 1, 2019 – November 30, 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 (JFC) 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. This September 2019 implementation plan, including the 90-day extension requests, received passive approval from the JFC on October 8, 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 Wisconsin may now begin receiving Federal Financial Participation (FFP) 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 JFC. This implementation plan received passive approval from the JFC on November 22, 2019.

The Department continues to work toward implementation of the Community Engagement component of the BadgerCare Reform Demonstration Project. This November 2019 progress report provides an update on the Department's progress toward implementation of the community engagement component. In addition, this report includes brief updates regarding the Demonstration Project Evaluation Design and Tribal Consultation Plan, highlighting ongoing work and recent milestones.

2. Activity During the Current Reporting Period (November 1, 2019 – November 30, 2019)

During the month of November 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.
- Meetings with independent evaluator to review CMS comments and provide guidance on making updates.
- Project workgroup meetings to develop protocols for the Operations Monitoring meetings to oversee and quickly triage pre- and post-system go-live issues and activity.

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

- DHS reviewed the CMS comments provided thus far with respect to the Community Engagement implementation plan.
- DHS worked with CMS to resolve issues with the CMS Budget Neutrality reporting templates and receive acceptance of deliverables.
- DHS submitted the updated 1115 Tribal Consultation Plan to CMS on November 8, 2019.

Community Engagement

The DHS plan for community engagement, specifically with regard to limiting benefit eligibility to 48 months for noncompliance with community engagement requirements, was submitted to CMS on July 8, 2019. CMS provided preliminary feedback on six of the seven components of the implementation plan. As of the time of this progress report, DHS is awaiting feedback from CMS on the seventh section of the plan, "Develop, Modify, and Maintain Systems." As noted in the previous report, comments from CMS are substantial and require considerable resources to

address requested changes. DHS will submit an updated plan to CMS once all comments have been addressed.

While waiting for the complete CMS feedback, Division of Medicaid Services leadership has reviewed CMS's feedback on sections one through six and has reached out to CMS to request other state contacts who are implementing Community Engagement requirements in their state and have demonstrated alignment with CMS' guidance. DHS believes engagement with other states and understanding their process and experiences will be helpful to determine the best approach to ensure compliance with CMS when finalizing the implementation plan. As noted previously, attention to detail and compliance with CMS is essential for the successful implementation and long-term success of Community Engagement in Wisconsin.

Demonstration Project Evaluation Design

As required by the state's Special Terms and Conditions, DHS is working with CMS to establish the Demonstration Project Evaluation Design, which will support the evaluation of the waiver from October 31, 2018 to December 31, 2023. On October 23, 2019 CMS provided feedback to the state on its Draft Demonstration Project Evaluation Design. DHS is currently working to update the Evaluation Design based on CMS feedback, with specific attention to guidance that does not have significant budgetary implications for the Department. DHS anticipates completing these updates by the December 21, 2019 deadline.

Tribal Consultation

As required by the state's Special Terms and Conditions, DHS has worked with CMS to identify necessary updates to the 1115 Tribal Consultation Plan, which address tribal concerns related to the impact of the BadgerCare Reform amendment. On November 8, 2019, DHS submitted the updated 1115 Tribal Consultation Plan to CMS. 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 for the Community Engagement Implementation Plan granted by the Joint Finance Committee on October 8, 2019, DHS continues to work towards implementing the remainder of the BadgerCare Reform 1115 Demonstration Project with a goal of January 30th, 2020.