

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: December 30, 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

December 30, 2019

DEC 30 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 be 'Andrea Palm', written over a horizontal line.

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: December 1, 2019 – December 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, 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 request, 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 will address updates for the community engagement component of the BadgerCare Reform 1115 Demonstration Project. It also provides updates on Evaluation Design and Monitoring & Reporting milestones.

2. Activity During the Current Reporting Period (December 1, 2019 – December 31, 2019)

During the month of December 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 the independent evaluator to review CMS's comments and provide guidance on making updates.

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

- DHS reviewed the CMS comments provided thus far with respect to the Community Engagement Implementation plan and continues to work to revise the updated plan.
- DHS contacted CMS to ask when CMS would be able to finalize their initial review of the Community Engagement Implementation plan; CMS indicated they are planning to have feedback in January 2020.
- DHS and CMS had a regularly scheduled monitoring call on December 9th, 2019 to discuss: Traditional Medical Assistance Reporting Metrics, Patient cost requirements for elderly, blind, disabled members seeking SUD treatment in IMDs, Tribal Consultation, and Community Engagement.

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. During the December 9th phone call with CMS, DHS requested a timeline for receiving additional feedback from CMS on the remaining components of the Community Engagement Implementation Draft. CMS indicated that it expects to provide comments to DHS in January 2020. Receiving CMS feedback on all components of the plan is essential to DHS complying with all federal requirements in the final implementation plan. 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 also continues to monitor the status of other states awaiting CMS guidance or approval, as well as those that are active in the courts.

Evaluation Design

As required by the state's Special Terms and Conditions, DHS is working with CMS to establish an Evaluation Design. On October 23, 2019 CMS provided feedback to the DHS on their Draft Evaluation Design. The independent evaluator reviewed this feedback with DHS, and then updated the Evaluation Design accordingly. DHS is reviewing these updates and aims to revise and submit the Evaluation Design to CMS by the end of December.

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 to 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. In December, CMS notified the Department that they received this submission and they will review the plan in the coming weeks and provide feedback as needed. 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 submittal of a community engagement implementation plan under the BadgerCare Reform 1115 Demonstration Project by January 30th, 2020.