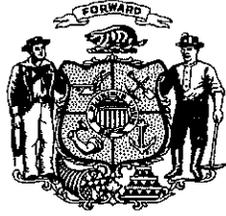


STATE OF WISCONSIN

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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: February 28, 2020

Re: DHS Report to JFC

Attached is a implementation progress report on 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

FEB 28 2020

St. Finance

February 28, 2020

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

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: February 1, 2020 – February 29, 2020

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. An extension of 90-days was 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 2, 2019, the Centers for Medicare & 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 is eligible to receive 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. The plan received Committee approval on

November 22nd. On January 29, 2020, the Department requested a 90-day extension for implementing the community engagement component of the Demonstration Project, which the Committee approved on February 18, 2020.

This February 2020 progress report addresses updates for the community engagement component of the BadgerCare Reform 1115 Demonstration Project. Brief updates are also provided regarding the Evaluation Design and Monitoring & Reporting milestones.

2. Activity During the Current Reporting Period (February 1, 2020 – February 29, 2020)

During the month of February 2020, 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.
- Communications with independent Evaluator to review CMS's comments and provide guidance on making updates.
- Internal and External Implementation and Operations Monitoring Meetings.

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

- DHS and CMS had a regularly scheduled monitoring call on February 10, 2020 to discuss SUD Residential Treatment Benefit, Community Engagement, and Evaluation Design.
- CMS stated during the monitoring call that they plan to provide further written feedback on the Evaluation Design.

Community Engagement

The DHS plan for community engagement, specifically the plan to limit benefit eligibility to 48 months for noncompliance with community engagement requirements, was submitted to CMS on July 8, 2019. DHS received complete comments from CMS on all components of the Community Engagement Implementation Plan in January 2020. After a thorough review of the comments, DHS began submitting responses to CMS requests for additional information. During the monthly monitoring call on February 10, 2020, CMS asked DHS additional follow-up questions on the responses DHS submitted to the Community Engagement Implementation Plan

in January. DHS responded to those questions, and reiterated the team's commitment to respond to the remaining questions posed in the Community Engagement Implementation Plan.

As a follow up to the call, DHS submitted additional responses to CMS questions on the Community Engagement Implementation Plan. The Department has requested CMS feedback on these responses during the March monthly monitoring call. DHS believes continued dialogue with CMS is an essential step in the process of implementing community engagement in Wisconsin. DHS remains committed to working with CMS to respond to their feedback on the Community Engagement Implementation Plan to ensure success.

The Department continues to monitor the legal challenges other states have experienced pertaining to implementing community engagement. Most recently, a three-judge panel of the U.S. Court of Appeals for District of Columbia upheld a lower's court decision to block Arkansas' community engagement requirements for Medicaid recipients. It is unknown whether this decision will be appealed to the U.S. Supreme Court.

Evaluation Design

As required by the state's Special Terms and Conditions, DHS is working with CMS to establish an Evaluation Design, which will support the evaluation of the demonstration from October 31, 2018 to December 31, 2023. On October 23, 2019 CMS provided feedback to the state on their Draft Evaluation Design. The independent evaluator reviewed this feedback with DHS, and then updated the Evaluation Design accordingly; DHS then reviewed these updates and submitted the Evaluation Design to CMS by the December 20, 2019 deadline. CMS is currently reviewing this Evaluation Design and mentioned, during the monthly monitoring call, that they will share additional feedback on the Evaluation Design with DHS.