

Wisconsin BadgerCare Reform 1115 Waiver Demonstration
Section 1115 Quarterly Report

Section 1115 Quarterly Report Summary

Demonstration Year:
2 (1/1/2015 – 12/31/2015)
Federal Fiscal Quarter:
2 (1/1/2015 – 3/31/2015)

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Introduction

The Wisconsin BadgerCare Reform demonstration provides state plan benefits to childless adults who have family incomes up to 95 percent of the Federal Poverty Level (FPL) (effectively 100 percent of the FPL considering a disregard of 5 percent of income), and permits the state to charge premiums to adults who are only eligible for Medicaid through the Transitional Medical Assistance eligibility group (hereinafter referred to as “TMA Adults”) with incomes above 133 percent of the FPL starting from the first day of enrollment and to TMA Adults from 100-133 percent of the FPL after the first 6 calendar months of TMA coverage.

The demonstration will allow the state to provide health care coverage for the childless adult population at or below an effective income of 100 percent of the FPL with a focus on improving health outcomes, reducing unnecessary services, and improving the cost-effectiveness of Medicaid services. Additionally, the demonstration will enable the state to test the impact of providing TMA to individuals who are paying a premium that aligns with the insurance affordability program in the Marketplace based upon their household income when compared to the FPL.

The state’s goals for the program are to demonstrate whether the program will:

- Ensure every Wisconsin resident has access to affordable health insurance and reduce the state’s uninsured rate.
- Provide a standard set of comprehensive benefits for low income individuals that will lead to improved healthcare outcomes.
- Create a program that is sustainable so Wisconsin’s healthcare safety net is available to those who need it most.

The DHS is currently finalizing an interagency agreement with the UW Population Health Institute (including the Scope of Work, Workplan, and Budget) for conducting the BadgerCare Reform Demonstration Evaluation. The DHS anticipates having the contract signed and work underway by September 1, 2015.

Enrollment and Benefits Information

Since the beginning of the second demonstration year that started on January 1, 2015 enrollment for childless adults (population group 2) has continued to increase, while enrollment for TMA adults (population group 1) has seen a slight decline since the end of 2014. Enrollment for childless adults for the first quarter of the second demonstration year was 173,405, while enrollment for TMA adults for the same period was 19,174.

The fourth quarter marked the first month the TMA Adult population 100% to 133% FPL was subject to premiums and possible disenrollment due to non-payment of premiums under the new demonstration waiver. The rate of disenrollment for the TMA Adult population 100% to 133% FPL was 2%, compared to 21% for the TMA Adult population over 133% FPL. We will attempt to learn more about the reasons

behind the variances between the two populations as we launch the formal evaluation in September 2015.

The DHS has not identified any issues related to access to care or delivery of benefits given the current enrollment trends and will continue to monitor.

Enrollment Counts for Quarter and Year to Date				
Demonstration Populations	Total Number of Demonstration Participants Quarter Ending – 03/31/2015*	Current Enrollees (year to date)**	Disenrolled in Current Quarter	TMA Adults Disenrolled Due to Non-Payment of Premiums (current quarter)***
BC Reform Adults	174,320	174,320	17,565	N/A
TMA Adults – 100% to 133% FPL	12,741	12,741	1,724	436
TMA Adults – Over 133% FPL	6,477	6,477	1,954	1,216
*Reflects total unduplicated count of members enrolled during the demonstration quarter				
** Reflects total unduplicated count of members enrolled during the demonstration year.				
***Disenrollment does not reflect those who maintained eligibility after the closure month for any benefit plan				

Outreach/Innovative Activities to Assure Access

All HMOs serving BadgerCare Plus members, which includes members of this demonstration waiver population, but are not limited to the demonstration population, are required to submit their member communication and outreach plans to the DHS for review. All materials are reviewed and approved by the DHS prior to distribution to members. Such materials include HMO-developed member handbooks, HMO-developed new member enrollment materials, and HMO-developed brochures.

The DHS also contracts with the City of Milwaukee Health Department to focus on outreach to current and prospective BadgerCare Plus members in Milwaukee County. As part of this agreement, staff is available at multiple locations throughout the county, including Milwaukee Health Department sites, in order to provide assistance with ACCESS applications and renewals, as well as with other enrollment and eligibility troubleshooting.

Collection and Verification of Encounter Data and Enrollment Data

Following is a summary of the managed care enrollments since the inception of the demonstration. As noted in prior reports, childless adults started enrollment in managed care in July 2014 with approximately 20,000 enrollments per month. Enrollment for the quarter shows approximately 85% of childless adults enrolled in managed care which is comparable with managed care enrollment for other BadgerCare Plus populations.

BadgerCare Plus HMO	Jul-14	Aug-14	14-Sep	Oct-14	Nov-14	Dec-14	14-Jan	15-Feb	15-Mar
Anthum Blue Cross Blue Shield	1488	3255	4884	7508	9896	11591	12489	13704	14325
Childrens Community Health Plan	2078	3682	5234	7062	8388	9633	10154	10710	11030
Compcare	721	1138	1577	2149	2560	2832	3306	3647	3750
Dean Health Plan	1304	2450	3562	4681	5078	5066	5112	5059	5027
Group Health Eau Claire	1107	1856	2349	3078	3655	3980	4889	5229	5602
Group Health South Central	266	509	748	1439	1740	2103	2216	2473	2485
Gundersen	557	927	1147	1275	1399	1509	2116	2292	2378
Health Tradition	362	649	767	791	849	875	1083	1197	1258
iCare	1207	2147	3611	5206	5966	6901	7255	7597	7753
Managed Health Services	1737	3323	4810	6483	7644	8845	9500	9738	9959
Mercy	387	661	906	1247	1500	1725	1879	2064	2156
Molina	1759	3233	4618	6392	7871	8651	9227	9643	10132
Network	1698	3197	4570	6465	7623	8745	9312	9587	9774
Physicians Plus	303	592	872	925	1381	1825	2208	2475	2777
Security	949	3109	3646	4438	5044	5368	6860	7710	8259
Trilogy	345	874	902	1456	2186	3065	3237	3513	3667
UnitedHealthcare	6178	10,712	14,297	18,444	21,706	23,736	25,552	27,559	28,585
Unity	696	1299	1204	1841	1954	1847	1785	1757	1723
Total	23142	43613	59704	80880	96440	108297	118,180	125,954	130,640

Operational/Policy/Systems/Fiscal Developments/Issues

The state has not identified any significant program developments/issues/problems that have occurred in the current quarter or are anticipated to occur in the near future that affect health care delivery, quality of care, approval and contracting with new plans, health plan contract compliance and financial performance relevant to the demonstration, fiscal issues, systems issues, and pertinent legislative or litigation activity.

Financial/Budget Neutrality Development/Issues

The state has not identified any significant developments/issues/problems with financial accounting, budget neutrality, and CMS 64 and budget neutrality reporting for the current quarter.

Please see Attachment A for a copy of the budget neutrality workbook.

The chart provides monthly and quarterly enrollment and expenditure data for the BadgerCare Plus Reform Adult Waiver since its inception in April 2014 through March 2015. This data is compared to the childless adult CORE baseline from April 2013 through March 2014 for budget neutrality purposes.

The data shows waiver enrollment increasing each month, with fee-for-service members peaking in June 2014 and steadily declining each subsequent month. Additionally, monthly managed care enrollment growth peaked in October 2014, reflecting the systematic transition of enrollees from fee-for-service to managed care through 2014 year end. Managed care enrollees continue to grow at a lesser rate with March 2015 reflecting a month-over-month enrollment increase of 5,410 members. This enrollment trend is in line with state expectations, as the state initially enrolled 10,000 members into managed care in July 2014 and planned to enroll around 20,000 members each subsequent month until all new members have been enrolled in managed care as applicable.

Since the waiver's April 2014 inception, per-member-per-month (PMPM) costs continue to increase with overall enrollment each quarter. Notably, quarter ending March 2015 reflects PMPM costs of \$391, which still appears to be understated due to claims lag. This understatement indicates that PMPM costs continue to increase and have not yet stabilized. Despite this upward trend of PMPM costs, the quarter ending March 2015 PMPM cost remains lower than the childless adult CORE baseline PMPM cost for quarter ending March 2014. Given the current PMPM rates, no specific concerns exist related to budget neutrality.

Consumer Issues

BadgerCare enrollees who are enrolled in an HMO have three levels of appeal available to them. Members may initiate an appeal at any level.

1. Appeal to their HMO;
2. Appeal to the Wisconsin Department of Health Services (DHS); or
3. Appeal to the State Division of Hearings and Appeals (DHA).

HMO level grievances: HMOs are required to submit quarterly complaint and grievance reports to the DHS. The types of complaints monitored include: access problems, billing issues, quality of care, and benefit denials. Benefit denials and quality of service account for the highest number of member complaints. Follow-up is conducted with individual HMOs if an unusual increase in appeals occurs.

DHS level grievances: Quarterly trends for several types of grievance denials (e.g., bariatric surgeries, etc.) are tracked for each quarter. Grievances are closely monitored for the number of upheld, overturned, and HMO resolved decisions. HMOs are individually informed of an increase and/or a high number for their DHS overturned grievances.

The Division of Hearings and Appeals and BadgerCare Plus HMOs continue to report a very low number of member issues related to enrollment and access.

Quality Assurance/Monitoring Activity

The DHS consistently monitors activities using a systematic approach that ensures services for all BadgerCare Plus populations are reviewed for quality assurance. Following are the current activities for the second quarter of the demonstration completed by the External Quality Review Organization (EQRO) – MetaStar for the HMOs operating the BadgerCare+ program.

- Collaborated with the DHS to plan and schedule comprehensive reviews for FY 2014.
- Validated and reported preliminary results of Performance Improvement Projects (PIPs); final reports in progress.
- Collaborated with DHS and HP staff on the review of performance measure charters. Validated performance measures for measurement year 2013; validation will continue in the fourth quarter of 2014 for 2015 baseline measures.
- Performed data abstraction and delivered CY 2013 report for Healthy Birth Outcomes initiative (medical home enrollees). Deployed the OBMH registry (transition from Center for Urban and Population Health).

Managed Care Reporting Requirements

Starting April 1, 2014 childless adults were enrolled in BadgerCare Plus fee-for-service benefits. Starting in July 2014 the state began enrolling childless adults into managed care with an average of 20,000 members in each month until all new members have been enrolled in managed care as applicable.

Following are the first quarter health needs assessment (HNA) results reported by the BadgerCare Plus managed care organizations:

- Number of new childless adults members enrolled in BC+ HMOs in Q1-2015: 32,293
- Number of screenings of childless adults completed in Q1-2015: 8,598
- Screening Rate: 26.62%
- Number of new childless adults members screened within two months of HMO enrollment in Q1-2015: 7,061
- Timely Screening Rate: 21.87%

Demonstration Evaluation

On November 12, 2014, the Centers for Medicare and Medicaid Services (CMS) approved the Department of Health Services (DHS) evaluation plan. The DHS has incorporated the approved evaluation plan as Attachment C.

The DHS is finalizing the interagency agreement with the UW Population Health Institute to conduct the evaluation. The target date for the UW to begin work on the evaluation is September 1, 2015.

State Contact(s)

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Attachment A – Budget Neutrality Monitoring Workbook

Childless Adults Draft Financial Statistics - Waiver Reporting for Quarter Ending Mar. 2015

Childless Adult Quarterly Comparison	Claim Expenditures (\$ in AF)	Prior Year QE Expenditures (\$ in AF)	Ave Monthly Enrollment	Prior Year QE Ave Monthly Enrollment	Ave Monthly PMPM	Prior Year QE Ave Monthly PMPM
QE June 2014	101,238,956	22,158,331	111,189	18,660	302.83	395.81
QE Sept. 2014	136,869,582	21,248,369	130,037	17,487	350.47	405.00
QE Dec. 2014	166,151,279	20,298,022	143,856	16,288	384.90	415.46
QE Mar. 2015	187,943,939	18,692,127	160,222	14,762	390.97	422.27

CORE Baseline (Childless Adults)	Claim Expenditures (\$ in AF)	Fee for Service Enrollees	CAP Expenditures	CAP Members	Total Expenditures	Total Enrollees	Overall PMPM
Apr-13	2,624,316	2,383	4,956,173	16,741	7,580,489	19,124	396.39
May-13	2,582,406	2,333	4,832,357	16,330	7,414,763	18,663	397.30
Jun-13	2,409,650	2,203	4,753,430	15,989	7,163,080	18,192	393.75
Jul-13	2,553,104	1,926	4,721,124	15,922	7,274,228	17,848	407.57
Aug-13	2,395,683	1,832	4,671,819	15,674	7,067,502	17,506	403.72
Sep-13	2,361,229	1,836	4,545,410	15,272	6,906,640	17,108	403.71
Oct-13	2,569,310	1,898	4,411,923	14,809	6,981,233	16,707	417.86
Nov-13	2,222,420	1,657	4,372,572	14,633	6,594,992	16,290	404.85
Dec-13	2,444,512	1,578	4,277,285	14,288	6,721,797	15,866	423.66
Jan-14	2,372,053	1,519	4,069,353	13,844	6,441,405	15,363	419.28
Feb-14	2,154,329	1,403	3,929,873	13,330	6,084,203	14,733	412.96
Mar-14	2,373,690	1,360	3,792,829	12,830	6,166,519	14,190	434.57

BC Reform Adult Waiver (Childless Adults)	Claim Expenditures (\$ in AF)	Fee for Service Enrollees	CAP Expenditures	CAP Members	Total Expenditures	Total Enrollees	Overall PMPM
Apr-14	26,304,913	96,179	3,144,900	9,533	29,449,813	105,712	278.59
May-14	31,316,545	100,971	2,952,251	8,879	34,268,796	109,850	311.96
Jun-14	33,699,733	105,858	3,820,614	12,146	37,520,348	118,004	317.96
Jul-14	34,766,141	100,956	7,546,184	23,913	42,312,324	124,869	338.85
Aug-14	31,140,784	86,000	13,645,054	44,275	44,785,838	130,275	343.78
Sep-14	31,515,982	73,293	18,255,438	61,675	49,771,420	134,968	368.76
Oct-14	29,893,569	56,902	24,000,205	82,552	53,893,774	139,454	386.46
Nov-14	25,185,451	44,074	28,594,494	99,149	53,779,945	143,223	375.50
Dec-14	26,119,706	35,762	32,357,854	113,129	58,477,560	148,891	392.75
Jan-15	25,963,160	33,336	34,847,438	121,965	60,810,597	155,301	391.57
Feb-15	24,523,919	33,240	36,687,619	128,551	61,211,538	161,791	378.34
Mar-15	27,785,828	29,613	38,135,976	133,961	65,921,804	163,574	403.01

*MC Enrollees have some of their expenditures in FFS Claims as well: Wrap around, Pharmacy, etc.

**PMPM comparisons may be skewed due to claims lag for months of April 2014 through March 2015

*** Expenditures and enrollment may not tie to future quarterly reports as numbers will be adjusted to account for claims lag

**** All preliminary data pulled June 2015 from DSS, not from MBES quarterly report

Attachment B – Summary of Cost-Sharing for TMA Adults Only

Individuals affected by, or eligible under, the demonstration with the co-payments below

TMA Adults (Demonstration Population 1)

Monthly Premium Amount Based on FPL Percentage	Monthly Premium Amount as Percentage of Income
100.01 – 132.99%	2.0%
133 – 139.99%	3.0%
140 – 149.99%	3.5%
150 – 159.99%	4.0%
160 – 169.99%	4.5%
170 – 179.99%	4.9%
180 – 189.99%	5.4%
190 – 199.99%	5.8%
200 – 209.99%	6.3%
210 – 219.99%	6.7%
220 – 229.99%	7.0%
230 – 339.99%	7.4%
240 – 249.99%	7.7%
250 – 259.99%	8.05%
260 – 269.99%	8.3%
270 – 279.99%	8.6%
280 – 289.99%	8.9%
290 – 299.99%	9.2%
300% and above	9.5%

Attachment C – Demonstration Evaluation Plan



WI BadgerCare Reform Final Approval



BadgerCare Reform Demonstration Evaluation Plan

Attachment D – BadgerCare Plus Reform Waiver Project Work Plan



BadgerCare Plus
Reform Waiver Project