

Scott Walker
Governor



DIVISION OF MEDICAID SERVICES

1 WEST WILSON STREET
PO BOX 309
MADISON WI 53701-0309

Linda Seemeyer
Secretary

State of Wisconsin
Department of Health Services

Telephone: 608-266-8922
Fax: 608-266-1096
TTY: 711

November 30, 2018

Shanna Janu
Project Officer
Division of Medicaid Expansion Demonstrations
State Demonstrations Group
Center for Medicaid and CHIP Services
Centers for Medicare & Medicaid Services
7500 Security Boulevard, MS S2-02-26
Baltimore, MD 21244

Re: Acceptance of 1115(a) BadgerCare Reform Waiver Extension and Amendment (Project No. 11-W-00293/5)

Dear Ms. Janu,

The State of Wisconsin accepts the award of approval for the extension and amendment of the BadgerCare Reform Waiver as outlined in your letter dated October 31, 2018, authorizing the Wisconsin Division of Medicaid Services to operate the BadgerCare Reform services through December 31, 2023.

I wish to thank you and your team for your diligent, collaborative work in approving the BadgerCare Reform extension and amendment. The extension of our existing waiver allows us to continue serving 178,000 childless adults living in poverty, and assures that all residents of the state will continue to have access to health care coverage through private or employer-sponsored insurance, the health insurance marketplace or Wisconsin Medicaid. The amendment allows us to implement a number of innovations designed in Wisconsin to meet our state's needs and improve the lives of our Medicaid members.

The amendment has been an important priority of our governor and our legislature: Governor Walker signed into law legislation passed by the Wisconsin Legislature directing Wisconsin Medicaid to submit this waiver amendment application, and further, statutorily requiring its implementation if approved. That work is already under way as we work to find an independent evaluator who will assess how well we are meeting our own goals and the high expectations CMS has laid out in this demonstration approval.

Wisconsin submitted this amendment request, which included a unique work, training and community engagement requirement, in June 2017 - the same month the Kaiser Family Foundation published results of their Health Tracking Poll. They found that 70% of Americans surveyed supported allowing states to require adults without disabilities to work or be looking for work in order to get health insurance through Medicaid. People inherently understand the

dignity and the power that derive from self-sufficiency and work, and believe in the value of helping able-bodied adults to get back in the workforce and back on their feet.

We believe in this approach because we know it works in Wisconsin.

Taking office at a time of high unemployment and economic insecurity, Governor Walker focused on getting Wisconsin back to work and back on firm financial footing. It was a daunting task: unemployment had peaked at well over 9%, and the state faced a \$3.6 billion deficit. Wisconsin's Medicaid program was in deficit, a problem deeply compounded by the fact the previous administration used over \$1 billion in one-time money to fund Medicaid's ongoing, necessary services for the most vulnerable citizens of the state, from newborns to seniors.

Under Governor Walker, Wisconsin now boasts one of the lowest unemployment rates in the nation. Our budget is balanced. Our Medicaid program not only has a surplus, but the program is funded with stable, ongoing revenue sources, so that it remains secure for the needy who depend on the services the program provides. And for the first time in state history, every single person living in poverty has access to health care through our Medicaid program.

More people are working in Wisconsin than ever before. Yet with unemployment hovering near 3%, one of our current challenges is a need for workers. Governor Walker has invested millions in workforce development and training programs to help keep the economy strong. But we can't afford to have anyone on the sidelines, and with over 20% of our state's population currently receiving Medicaid, it's vital that the able-bodied adults in the program are able to access the training and opportunities they need to find independence in a good job.

We already know that this works here in Wisconsin. Our Food Share Employment and Training (FSET) initiative in our SNAP program is the framework our community engagement demonstration is modeled after. Wisconsin's FSET program has helped more than 30,000 people to find jobs, but strikingly, more people ask to be allowed to participate in the program than are required to do so.

Some would prefer to limit the kind of assistance the state offers to those in need, and oppose efforts to help beneficiaries find employment and independence. We believe that helping those in need engage in their community through volunteering, job training and work will profoundly change lives. And the people who voluntarily ask for this kind of employment help through our FSET program prove that those we serve - those in poverty, those in need - truly want the hand up we are offering.

As we help people move from dependence to independence through our community engagement initiative, our amendment also seeks to smooth the transition to private insurance through other amendments to our waiver. Our Health Risk Assessment mirrors those often seen in private insurance, while giving Medicaid and our health plans information vital to better addressing the health needs of our members. And similarly, members may reduce the small premiums the approval allows by avoiding health risks - a provision which is also a component of private insurance. By helping to make Medicaid look more like private insurance, members gain the skills they need to navigate their health care after leaving the program.

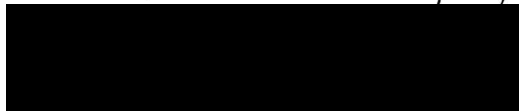
As in every other state, we are struggling to address the opioid crisis. The approval of our request to use federal funds to expand inpatient coverage for those with substance use disorder will have a significant impact on those who need access to that level of care to fully recover.

The collaborative work of CMS and Wisconsin Medicaid has resulted in the approval of a demonstration aptly summarized by Administrator Verma as "... a thoughtful and reasonable policy, and one that is rooted in compassion."

We appreciate your thoughtful approach to ensuring that this demonstration, which will be implemented as statutorily required in the coming year under a new administration, was carefully crafted and approved to help improve both the health and the lives of Medicaid members in Wisconsin.

We look forward to continuing discussions with CMS as implementation proceeds. In the meantime, if you have questions or need any information please contact Krista Willing at 608 266-2469 or KristaE.Willing@dhs.wisconsin.gov.

Sincerely,

A large black rectangular redaction box covers the signature area. A small, handwritten mark is visible above the right side of the box.

Heather K. Smith
Medicaid Director