

Wisconsin BadgerCare Reform 1115 Waiver Demonstration  
Section 1115 Quarterly Report

**Section 1115 Quarterly Report Summary**

Demonstration Year:  
3 (1/1/2016 – 12/31/2016)  
Federal Fiscal Quarter:  
2 (1/1/2016 – 3/31/2016)

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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 has finalized 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 and UW began work starting on September 1, 2015. A copy of the demonstration evaluation scope of work and workplan are included as Attachment E.

## Enrollment and Benefits Information

Childless Adults (Population Group 2) - In the first quarter of demonstration year 3 the number of unique program participants increased along with the total number of childless adults enrolled in the program for the quarter. From the prior quarter the total number of unique program participants increased from 168,756 to 170,266, with a year to date total of 170,266. Total monthly enrollment increased from the prior quarter with 151,417 childless adults in December 2015 and 153,212 childless adults in March 2016.

Transitional Medical Assistance (TMA) Adults - In the first quarter of demonstration year 3 the number of unique program participants decreased slightly as did the total number of TMA adults enrolled in the program. From the prior quarter the total number of unique program participants increased from

29,080 to 28,806, with a year to date total of 28,806. Total monthly enrollment also increased from the prior quarter with 20,459 TMA adults in December 2015 and 19,815 TMA adults in March 2016.

The rate of disenrollment for non-payment of premiums for the TMA Adult population 100% to 133% FPL was 5%, compared to 20% for the TMA Adult population over 133% FPL, a slight decrease from the prior quarter. We will attempt to learn more about the reasons behind the variances between the two populations through the formal evaluation that will be conducted during demonstration year 3.

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.

<b>Enrollment Counts for Quarter and Year to Date</b>				
Demonstration Populations	Total Number of Demonstration Participants Quarter Ending – 03/31/2016*	Current Enrollees (year to date)**	Disenrolled in Current Quarter	TMA Adults Disenrolled Due to Non-Payment of Premiums (current quarter)***
BC Reform Adults	170,266	170,266	24,579	N/A
TMA Adults – 100% to 133% FPL	18,903	18,903	2,955	951
TMA Adults – Over 133% FPL	9,903	9,903	3,546	1,944
*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				

<b>Member Month Reporting</b>				
Eligibility Group	Month 1 (January 2016)	Month 2 (February 2016)	Month 3 (March 2016)	Total for Quarter Ending 03/2016
BC Reform Adults	154,285	153,942	153,212	461,439
TMA Adults – 100% to 133% FPL	13,961	13,708	13,451	41,120
TMA Adults – Over 133% FPL	8,270	6,290	6,364	20,924

### Childless Adult and TMA Re-Enrollment Statistics

In September 2015 CMS requested that Wisconsin analyze the demonstration groups to identify how many members had been disenrolled and subsequently regained program eligibility.

In providing these statistics we included those members that regained full-benefit eligibility within 12 months of the current reporting quarter. The initial statistics provided below include those childless adult and TMA members who were disenrolled since April 2014 (the start of the demonstration) and were enrolled in the first quarter of demonstration year 3.

While program enrollment has grown within both demonstration population groups the childless adult population (group 2) appears to have stabilized in regards to regaining eligibility and the TMA adult population (group 1) increased from the prior quarter by 6.5%.

Quarter of Disenrollment	Waiver Group	Number re-enrolled within one year by benefit plan									All Benefit Plans	Total Disenrolled	% Re-enrolled within one year
		BCSP	FSTMA	MAP	MAPW	MCD	MCDW	SSIMA	WWMA				
04/14 - 06/14	CLA	4,962	1	260	16	399	97	155	8	5,898	16,291	36.20%	
04/14 - 06/14	TMA	6,289	0	7	1	25	4	15	2	6,343	10,551	60.12%	
07/14 - 09/14	CLA	5,686	1	229	14	386	95	142	3	6,556	14,478	45.28%	
07/14 - 09/14	TMA	5,691	0	6	0	15	4	13	3	5,732	9,531	60.14%	
10/14 - 12/14	CLA	6,890	1	277	13	412	101	121	2	7,817	17,310	45.16%	
10/14 - 12/14	TMA	5,733	0	3	0	14	3	9	1	5,763	9,334	61.74%	
01/15 - 03/15	CLA	8,346	0	261	10	470	94	146	5	9,332	20,828	44.81%	
01/15 - 03/15	TMA	5,237	0	5	0	10	3	6	0	5,261	7,719	68.16%	
CLA = Childless Adults													
TMA = Transitional Medical Assistance													

## 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 quarterly managed care enrollment. Enrollment for the quarter shows approximately 85% of all childless adults enrolled in managed care which is comparable with managed care enrollment for other BadgerCare Plus populations. Managed care enrollment for the current quarter is also up from the prior quarter following the overall enrollment trend.

<b>BadgerCare Plus Childless Adult HMO Enrollment</b>	<b>Jan-16</b>	<b>Feb-16</b>	<b>Mar-16</b>
Anthum Blue Cross Blue Shield	13,684	14,053	14,669
Childrens Community Health Plan	10,537	10,740	10,997
Compcare	3863	3932	4040
Dean Health Plan	4772	4805	4879
Group Health Eau Claire	6376	6500	6791
Group Health South Central	2120	2138	2297
Gundersen	2419	2528	2546
Health Tradition	1199	1220	1281
iCare	6670	6752	6854
Managed Health Services	8628	8637	8753
Mercy	2268	2316	2449
Molina	9320	9499	9779
Network	8564	8548	8551
Physicians Plus	2796	2817	3003
Security	8578	8838	9119
Trilogy	3497	3604	3669
UnitedHealthcare	28,237	28,906	29,884
Unity	1321	1351	1347
<b>Total</b>	<b>124,849</b>	<b>127,184</b>	<b>130,908</b>

## Operational/Policy/Systems/Fiscal Developments/Issues

The state has not identified 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

Since the waiver's April 2014 inception, per-member-per-month (PMPM) costs generally increased and reached a high of \$453.49 in March 2016. The March 2016 PMPM increase appears to be driven by increased drug costs. Note that expenditures reported in the table are not net of drug rebates. Net waiver expenditures will be reported in the MBES system for the CMS quarterly report. Given the current PMPM rates, no specific concerns exist related to budget neutrality.

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 2016. 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 from April 2014 to March 2015. From April 2015 to December 2015 waiver enrollment decreases slightly as enrollment stabilizes, before increasing in the January to March 2016 quarter. Fee-for-service (FFS) enrollment peaks in June 2014 and steadily declines each subsequent month through January 2015. From February 2015 to March 2016, FFS enrollment decreases slightly as enrollment stabilizes.

The monthly managed care enrollment growth rate peaked in October 2014, reflecting the systematic transition of enrollees from FFS to managed care through 2014 year end. Managed care enrollees continued to grow at a lesser rate through March 2015. From January 2016 to March 2016, managed care enrollees have increased by about 4,000 members.

## Consumer Issues

Consumers have not reported any significant issues related to coverage and/or access to the program and benefits in the current quarter.

## 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.

### a) Health Needs Assessment Requirement for Childless Adults

The 2016-2017 BadgerCare Plus HMO contract required health plans to conduct a Health Needs Assessment (HNA) screening of newly enrolled BadgerCare Plus childless adult members within two months of HMO enrollment. The contract requires HMOs to include the following elements in the HNA screening:

- a. Urgent medical and behavioral symptoms (e.g., shortness of breath, rapid weight gain/loss, syncope, suicidal ideations, psychotic break);
- b. Members' perception of their general well-being;
- c. Identify usual sources of care (e.g., primary care provider, clinic, specialist, dental provider);
- d. Frequency in use of emergency and inpatient services;
- e. History of chronic physical and mental health illnesses (e.g., respiratory disease, heart disease, stroke, diabetes/pre-diabetes, back pain and musculoskeletal disorders, cancer, overweight/obesity, severe mental illness(es), substance abuse);
- f. Number of prescription medications used monthly;
- g. Socioeconomic barriers to care (e.g., stability of housing, reliable transportation, nutrition/food resources, availability of family/caregivers to provide support);
- h. Behavioral and medical risk factors including member's willingness to change their behavior such as:
  - i. Symptoms of depression
  - ii. Alcohol consumption and substance abuse
  - iii. Tobacco use
- i. Weight (e.g., using BMI or waist circumference) and blood pressure indicators.

HMOs can conduct the screening in-person, over the phone, via mail or online.

For 2016, BadgerCare Plus HMOs are required to meet the lesser of the following targets of **timely** HNA Screenings:

- a. Performance Level Target: 35% rate of timely HNA Screenings in calendar year 2016-2017;  
OR
- b. Reduction in Error Target: 10% improvement from baseline.

HMOs who do not meet the HNA target in 2016 will be subject to liquidated damages. The amount will be the lesser of either \$250,000 or \$40 per BadgerCare Plus Childless Adult member for whom the HMO failed to meet the target in the calendar year.

In the first quarter of 2016, DHS presented a plan to HMOs on how to measure their HNA performance and a timeline for the validation process. DHS also worked with 18 HMOs to reconcile their HNA quarterly results for the period of 7/1/2014 to 6/30/2015. DHS shared preliminary data in the month of March and then scheduled conference calls with HMOs to finalize the baselines for the 2016 HNA benchmarks.

#### **b) External Quality Review Activities**

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.

- In collaboration with DHS, developed and distributed accreditation deeming strategy document request lists for accredited HMOs. Conducted review of documents for accreditation gaps.
- Completed 2016 PIP Proposal Reviews for three HMOs who received extensions.
- Performed data abstraction for HBO initiative (medical home enrollees). Delivered records request lists to HMOs (July-December 2015 postpartum visits). Maintained OBMH registry, triaged questions as needed.
- Met with DHS and began developing HIV/AIDs health home review criteria.
- Developed and delivered to BBM, a Timeline of Activities for External Quality Reviews.

### **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. HMOs are required to report to the DHS on the status of quality initiatives, PIPs, and other programmatic requirements.



## **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 has signed an interagency agreement and contracted with the UW Population Health Institute to conduct the evaluation. DHS and the UW began work on the evaluation September 1, 2015. The UW's Scope of Work and Workplan are included as Attachment D.

The UW is on schedule to begin the first evaluation survey and report starting in April 2016.

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# Attachment A – Budget Neutrality Monitoring Workbook

## Childless Adults Draft Financial Statistics - Waiver Reporting for Quarter Ending March 2016

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	101,210,605	22,157,735	111,187	18,660	302.75	395.80
QE Sept. 2014	137,243,424	21,246,908	130,036	17,487	351.42	404.97
QE Dec. 2014	167,024,246	20,296,922	143,883	16,288	386.86	415.43
QE Mar. 2015	190,022,630	18,692,247	160,613	14,762	394.29	422.27

Adult Waiver Quarterly Trends	Claim Expenditures (\$ in AF)	Quarter-over-Quarter Percent Change	Ave Monthly Enrollment	Quarter-over-Quarter Percent Change	Ave Monthly PMPM	Quarter-over-Quarter Percent Change
QE June 2015	194,501,401	-	155,823	-	416.22	-
QE Sept. 2015	195,525,111	0.53%	150,708	-3.28%	432.46	3.90%
QE Dec. 2015	195,787,397	0.13%	151,100	0.26%	431.92	-0.12%
QE Mar. 2016	202,532,256	3.44%	153,951	1.89%	438.53	1.53%

CORE Baseline (Childless Adults)	Claim Expenditures (\$ in AF)	Fee for Service Enrollees	CAP Expenditures	CAP Members	Total Expenditures	Total Enrollees	Overall PMPM
Apr-13	2,624,273	2,383	4,956,173	16,741	7,580,446	19,124	396.38
May-13	2,582,125	2,333	4,832,357	16,330	7,414,482	18,663	397.28
Jun-13	2,409,378	2,203	4,753,430	15,989	7,162,808	18,192	393.73
Jul-13	2,553,051	1,926	4,721,124	15,922	7,274,175	17,848	407.56
Aug-13	2,395,752	1,832	4,671,819	15,674	7,067,571	17,506	403.72
Sep-13	2,359,752	1,836	4,545,410	15,272	6,905,162	17,108	403.62
Oct-13	2,568,860	1,898	4,411,923	14,809	6,980,783	16,707	417.84
Nov-13	2,222,150	1,657	4,372,572	14,633	6,594,722	16,290	404.83
Dec-13	2,444,132	1,579	4,277,285	14,288	6,721,417	15,867	423.61
Jan-14	2,372,043	1,519	4,069,353	13,844	6,441,396	15,363	419.28
Feb-14	2,153,802	1,403	3,929,873	13,330	6,083,675	14,733	412.93
Mar-14	2,373,347	1,360	3,793,829	12,830	6,167,176	14,190	434.61

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	26,293,463	96,182	3,144,558	9,532	29,438,021	105,714	278.47
May-14	31,276,064	100,972	2,951,909	8,878	34,227,973	109,850	311.59
Jun-14	33,724,699	105,854	3,819,912	12,144	37,544,611	117,998	318.18
Jul-14	34,866,576	100,968	7,541,232	23,898	42,407,808	124,866	339.63
Aug-14	31,278,043	86,034	13,633,326	44,239	44,911,369	130,273	344.75
Sep-14	31,688,502	73,344	18,235,745	61,625	49,924,247	134,969	369.89
Oct-14	30,266,965	56,976	23,979,739	82,485	54,246,704	139,461	388.97
Nov-14	25,478,921	44,182	28,569,601	99,066	54,048,522	143,248	377.31
Dec-14	26,403,009	35,918	32,326,011	113,022	58,729,020	148,940	394.31
Jan-15	26,394,875	33,569	34,803,062	121,838	61,197,937	155,407	393.79
Feb-15	25,007,418	33,697	36,623,234	128,387	61,630,652	162,084	380.24
Mar-15	29,129,303	30,584	38,064,738	133,765	67,194,041	164,349	408.85
Apr-15	29,456,121	29,722	37,519,234	132,317	66,975,355	162,039	413.33
May-15	27,360,880	28,230	36,302,788	127,131	63,663,669	155,361	409.78
Jun-15	28,891,476	28,546	34,970,901	121,523	63,862,377	150,069	425.55
Jul-15	29,659,951	26,494	35,844,716	124,332	65,504,667	150,826	434.31
Aug-15	28,853,707	25,755	36,152,405	125,021	65,006,112	150,776	431.14
Sep-15	28,864,462	25,540	36,149,870	124,981	65,014,332	150,521	431.93
Oct-15	29,296,944	25,971	36,168,361	124,108	65,465,305	150,079	436.21
Nov-15	28,427,953	27,012	36,052,707	123,951	64,480,661	150,963	427.13
Dec-15	29,971,594	29,061	35,869,837	123,196	65,841,431	152,257	432.44
Jan-16	30,065,391	31,689	35,724,664	122,387	65,790,055	154,076	427.00
Feb-16	30,824,207	29,776	36,215,887	124,301	67,040,094	154,077	435.11
Mar-16	32,445,700	25,521	37,256,408	128,179	69,702,108	153,700	453.49

\*\*MC Enrollees have some of their expenditures in FFS Claims as well: Wrap around, Pharmacy, etc.  
 \*\*FFS Claims are pulled on a date of service basis. PMPM comparisons may be skewed due to claims lag for months of October 2015 through December 2015  
 \*\*\* Expenditures and enrollment may not tie to future quarterly reports as numbers will be adjusted to account for claims lag  
 \*\*\*\* All data for April 2015 - March 2016 pulled on June 22, 2016 from DSS, not from MBES quarterly report  
 \*\*\*\*\* Note that expenditures are not net of drug rebates. Net expenditures will be reported in MBES for the CMS 64 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 Approve



BadgerCare Reform Demonstration Evaluation

## Attachment D – BadgerCare Plus Reform Waiver Project Work Plan



BadgerCare Plus  
Reform Waiver Project

## Attachment E – University of Wisconsin Scope of Work & Project Work Plan



BadgerCare Reform  
Waiver Evaluation - S