

Wisconsin BadgerCare Reform 1115 Waiver Demonstration
Section 1115 Quarterly Report

Section 1115 Quarterly/Annual Report Summary

Demonstration Year:

1 (4/1/2014 – 12/31/2014)

Federal Fiscal Quarter:

3 (7/1/2014 – 9/30/2014)

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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.

Due to the state’s 3-month delay in implementing related BadgerCare Plus Program and Affordable Care Act (ACA) Changes, the provisions of the BadgerCare Reform Waiver did not take effect until April 1, 2014.

On July 10, 2014, the DHS held the initial post award public forum in Milwaukee, WI. Details on the post award public forum are found in the Outreach Activities section of this report.

Starting in July 2014 the DHS began enrolling childless adults into managed care. More information regarding the progress of this enrollment are included in this quarter’s report.

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.

DHS is currently drafting the interagency agreement (including scope of work, workplan, and budget) with the UW Population Health Institute for the demonstration evaluation and is targeting September 1, 2015 to begin work.

Enrollment and Benefits Information

Since April 1, 2014 and for the first year of the demonstration enrollment for childless adults (population group 2) has been steadily increasing, while enrollment for TMA adults (population group 1) has been also seen modest increases – specifically in the 133% FPL and over population as compared to enrollment prior to the beginning to the current demonstration. Enrollment for childless adults for the fourth quarter and end of the first demonstration year was 157,399, while enrollment for TMA adults for the same period was 20,157.

In the first quarter of the second demonstration year the rate of disenrollment for the TMA Adult population 100% to 133% FPL was 3%, compared to 19% for the TMA Adult population over 133% FPL. This represents a slight increase of 1% and decrease of 2% respectively from the prior quarter.

During the final quarter and end of the first demonstration year the DHS has not identified any issues related to enrollment, access to care, or delivery of benefits.

Enrollment Counts for Quarter and Year to Date				
Demonstration Populations	Total Number of Demonstration Participants Quarter Ending – 12/31/2014*	Current Enrollees (year to date)**	Disenrolled in Current Quarter	TMA Adults Disenrolled Due to Non-Payment of Premiums (current quarter)***
BC Reform Adults	160,095	185,414	13,744	N/A
TMA Adults – 100% to 133% FPL	13,508	27,374	2,475	309
TMA Adults – Over 133% FPL	6,778	13,540	2,560	1,414
*Reflects total unduplicated count of members enrolled during the demonstration quarter				
** Reflects total unduplicated count of members enrolled during the demonstration year. Please note that for 2014 the demonstration year is April 1, 2014 to December 31, 2014.				
***Disenrollment does not reflect those who maintained eligibility after the closure month for any benefit plan				

Outreach/Innovative Activities to Assure Access

On July 10, 2014, the DHS held a post award public forum in accordance with 42 CFR § 431.420. The DHS held the post award public forum in Milwaukee at a location close to public transportation.

The DHS promoted the post award public forum as follows:

- On June 10, 2014, the DHS posted official notice of the post award public forum prominently on their website at www.dhs.wisconsin.gov and www.dhs.wisconsin.gov/badgercareplus/waivers.htm ;
- On June 26, 2014, the DHS created a promotional flyer detailing the post award public forum. The flyer was placed on the DHS website at www.dhs.wisconsin.gov/badgercareplus/waivers.htm;
- On June 27, 2014, the DHS sent email notification to partner and advocate organizations in the Milwaukee area informing them of the post award public forum and attached a copy of the flyer noted above;
- Beginning on June 27, 2014, the DHS printed 1,100 copies of the flyer noted above and hand distributed them to Milwaukee area partners, advocacy organizations and businesses; and

- On June 30, 2014, the public notice was published in the Wisconsin Administrative Register, Volume 702b (<http://docs.legis.wisconsin.gov/code/register/2014/702b/register.pdf>).

The post award public forum, held at the Greater Philadelphia Church of God in Christ, 2947 N. Dr. Martin Luther King Drive, Milwaukee, WI 53212 was attended by approximately 50 attendees. Marlia Mattke, Deputy Medicaid Director, Vanessa Robinson, Chief Operations Officer/Deputy Director, Milwaukee Enrollment Services, and Craig Steele, Project Manager answered questions and received testimony. The audio at the post award public forum was recorded and posted to the DHS website <https://dhsmedia.wi.gov/main/Play/1638b5a2faea4ec1aa93d64fcc94157d1d>.

Comments were collected through August 10, 2014. The DHS will provide additional information related to the post award public comments received in the next quarterly progress report.

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 currently 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

Starting April 1, 2014 childless adults were enrolled in BadgerCare Plus fee-for-service benefits. Beginning July 2014 the state began enrolling childless adults into managed care with an average of 20,000 new managed care enrollments monthly until full managed care enrollment is achieved. Following is a summary of the managed care enrollments through the end of the first demonstration year. The DHS remains on target to enroll the remaining childless adults into managed care by the end of the first quarter of the second demonstration year.

HMO	Jul-14	Aug-14	14-Sep	Oct-14	Nov-14	Dec-14
Anthum Blue Cross Blue Shield	1488	3255	4884	7508	9896	11591
Childrens Community Health Plan	2078	3682	5234	7062	8388	9633
Compcare	721	1138	1577	2149	2560	2832
Dean Health Plan	1304	2450	3562	4681	5078	5066
Group Health Eau Claire	1107	1856	2349	3078	3655	3980
Group Health South Central	266	509	748	1439	1740	2103
Gundersen	557	927	1147	1275	1399	1509
Health Tradition	362	649	767	791	849	875
iCare	1207	2147	3611	5206	5966	6901
Managed Health Services	1737	3323	4810	6483	7644	8845
Mercy	387	661	906	1247	1500	1725
Molina	1759	3233	4618	6392	7871	8651
Network	1698	3197	4570	6465	7623	8745
Physicians Plus	303	592	872	925	1381	1825
Security	949	3109	3646	4438	5044	5368
Trilogy	345	874	902	1456	2186	3065
UnitedHealthcare	6178	10,712	14,297	18,444	21,706	23,736
Unity	696	1299	1204	1841	1954	1847
Total	23142	43613	59704	80880	96440	108297

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 through the end of the first demonstration year 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 and initial demonstration year.

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 December 2014. This data is compared to the childless adult CORE baseline from April 2013 through December 2014 for budget neutrality purposes.

The data shows waiver enrollment increasing each month, with fee-for-service members peaking in July 2014 and steadily declining each subsequent month. Managed care enrollment shows steady growth of around 20,000 members each month since July 2014. This enrollment trend is in line with state expectations, as the state initially enrolled 10,000 members into managed care in July 2014 and enrolled (on average) 20,000 members each subsequent month.

Since the waiver's April 2014 inception, per-member-per-month cost has increased with overall enrollment. This was expected since claims expenditures are based on date of payment and the timing

of claims lag, therefore, under represents claims experience in the early months. Despite this upward trend, the December 2014 per-member-per-month cost (\$387.08) remains lower than the childless adult CORE baseline per-member-per-month year-over-year for the duration of the reporting period. 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 fourth quarter of the demonstration completed by the External Quality Review Organization (EQRO) – MetaStar for the HMOs operating the BadgerCare+ program.

- Conducted one Information Systems Capabilities Assessment.
- Reviewed 2015 Performance Improvement Project (PIPs) proposals; Delivered aggregate report from validation of 2012 PIPs.
- Delivered results from validation of 2013 performance measures and 2015 baseline measures.
- Continued Healthy Birth Outcome reviews for OB Medical Home enrollees and delivered the report for deliveries occurring in first quarter of 2014.

- Deployed the OB Medical Home registry for HMOs, clinics, and DHS.

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

- Number of new childless adults members enrolled in HMOs in Q4-2014: 56,672
- Number of screenings of childless adults completed in Q4-2014: 11,552
- Screening Rate: 20.38%
- Number of new childless adults members screened within two months of HMO enrollment in Q4-2014: 9,264
- Timely Screening Rate: 16.35%

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 in the process of executing an 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.

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Attachment A – Budget Neutrality Monitoring Workbook

Preliminary Childless Adults Draft Financial Statistics - Waiver Reporting for Quarter Ending Dec. 2014

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	100,336,496	22,166,544	111,184	18,660	300.14	395.96
QE Sept. 2014	135,633,411	21,253,102	130,028	17,487	347.33	405.09
QE Dec. 2014	163,336,911	20,300,350	143,097	16,288	380.41	415.51

CORE Baseline (Childless Adults)	Claim Expenditures (\$ in AF)	Fee for Service Enrollees	CAP Expenditures	CAP Members	Total Expenditures	Total Enrollees	Overall PMPM
Apr-13	2,626,255	2,383	4,956,173	16,741	7,582,428	19,124	396.49
May-13	2,586,618	2,333	4,832,357	16,330	7,418,975	18,663	397.52
Jun-13	2,411,712	2,203	4,753,429	15,989	7,165,141	18,192	393.86
Jul-13	2,554,748	1,926	4,721,124	15,922	7,275,872	17,848	407.66
Aug-13	2,398,350	2,233	4,671,819	15,272	7,070,169	17,505	403.89
Sep-13	2,361,651	1,836	4,545,410	15,272	6,907,061	17,108	403.73
Oct-13	2,569,854	1,898	4,411,923	14,809	6,981,777	16,707	417.90
Nov-13	2,223,489	1,657	4,372,572	14,633	6,596,061	16,290	404.91
Dec-13	2,445,227	1,638	4,277,285	14,228	6,722,512	15,866	423.71

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	26,018,586	96,175	3,145,984	9,536	29,164,570	105,711	275.89
May-14	30,986,116	100,961	2,953,745	8,883	33,939,861	109,844	308.98
Jun-14	33,409,007	105,843	3,823,058	12,153	37,232,065	117,996	315.54
Jul-14	34,394,772	100,939	7,548,859	23,921	41,943,631	124,860	335.93
Aug-14	30,769,376	85,978	13,653,209	44,292	44,422,585	130,270	341.00
Sep-14	31,003,648	73,253	18,263,547	61,702	49,267,195	134,955	365.06
Oct-14	29,157,797	56,743	24,010,130	82,583	53,167,927	139,326	381.61
Nov-14	24,469,552	43,300	28,619,262	99,201	53,088,814	142,501	372.55
Dec-14	24,698,943	34,265	32,381,227	113,200	57,080,170	147,465	387.08

*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 December 2014

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

**** All preliminary data pulled February 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