

Wisconsin BadgerCare Reform 1115 Waiver Demonstration
Section 1115 Annual Report

Section 1115 Annual Report Summary

Demonstration Year:
4 (1/1/2017 – 12/31/2017)

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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.

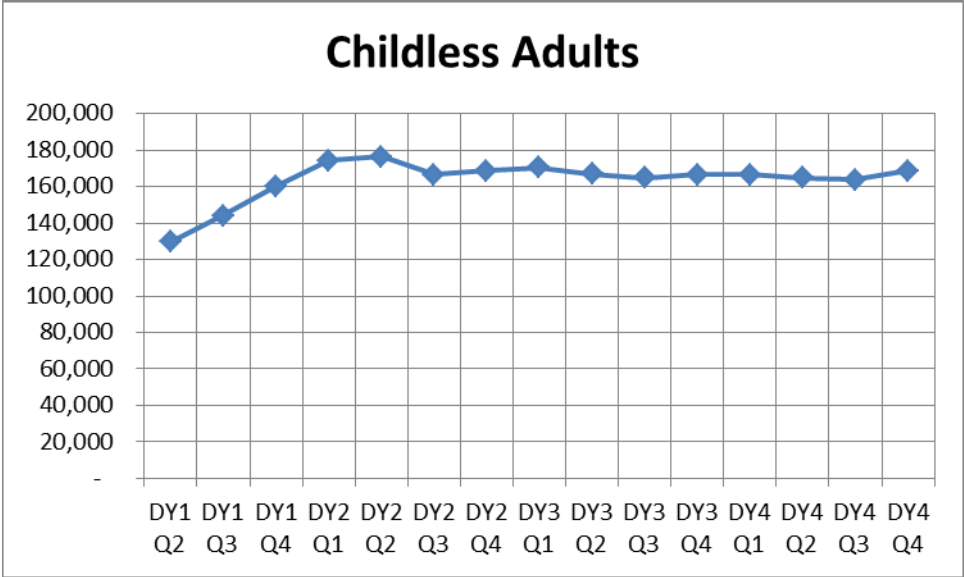
The state’s goals for the program are to demonstrate whether the program will:

- 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.

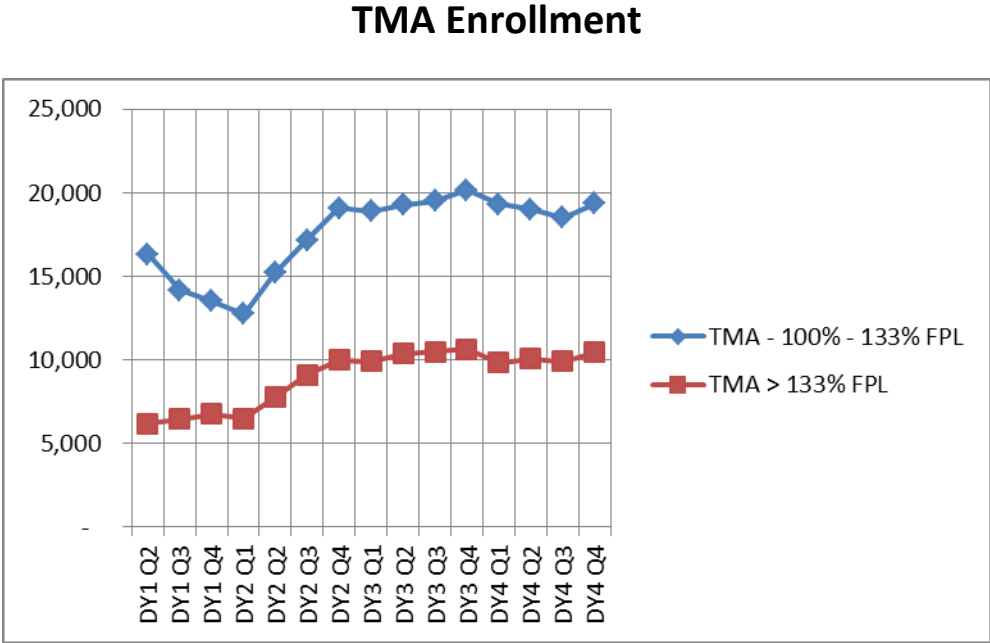
The DHS has contracted, through an interagency agreement, with the UW Population Health Institute (including the Scope of Work, Workplan, and Budget) for conducting the BadgerCare Reform Demonstration Evaluation. The DHS and UW began work starting on September 1, 2015. A copy of the demonstration evaluation scope of work and workplan are included as Attachment E.

Enrollment and Benefits Information

Childless Adults (Population Group 2) - In demonstration year 4 the number of unique program participants increased, while the total number of childless adults enrolled in the program decreased slightly. From the beginning to the end of demonstration year 4 the total number of unique program participants increased from 166,661 to 168,515. Total monthly enrollment decreased from the start to the end of the demonstration year with 150,950 childless adults in January 2017 and 150,799 childless adults in December 2017. The following graph shows the childless adults enrollment trend over the first 4 years of the demonstration:



Transitional Medical Assistance (TMA) Adults (Population Group 1) - In demonstration year 4 the number of unique program participants increased, while the total number of TMA adults enrolled in the program decreased. From the beginning to the end of the demonstration year the total number of unique program participants increased from 29,138 to 29,822. Total monthly enrollment decreased during the demonstration year with 22,631 TMA adults in January 2017 and 20,403 TMA adults in December 2017. The following graph shows the TMA enrollment trends over the first 4 years of the demonstration:



Following is an enrollment summary for the unique program participants in both demonstration groups over the first 4 years of the demonstration:

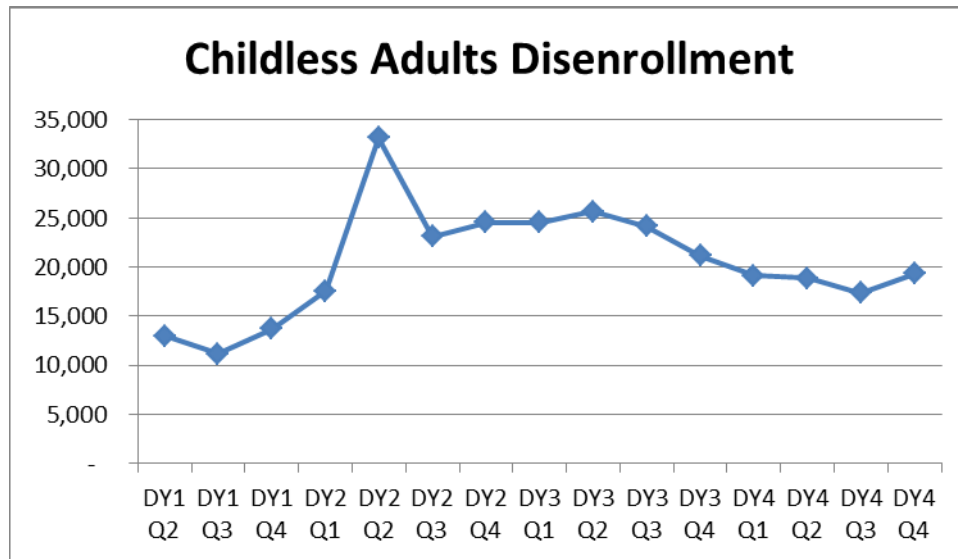
BadgerCare Reform Demonstration - Enrollment Summary*

| Demonstration Year | DY1 (CY 2014) | | | | DY2 (CY 2015) | | | | DY3 (CY 2016) | | | | DY4 (CY 2017) | | | |
|-----------------------|---------------|---------|---------|---------|---------------|---------|---------|---------|---------------|---------|---------|---------|---------------|---------|---------|---------|
| | DY1 Q1 | DY1 Q2 | DY1 Q3 | DY1 Q4 | DY2 Q1 | DY2 Q2 | DY2 Q3 | DY2 Q4 | DY3 Q1 | DY3 Q2 | DY3 Q3 | DY3 Q4 | DY4 Q1 | DY4 Q2 | DY4 Q3 | DY4 Q4 |
| CLA (Group 2) | N/A | 129,712 | 144,102 | 160,095 | 174,320 | 176,378 | 166,401 | 168,756 | 170,266 | 166,971 | 164,761 | 166,740 | 166,661 | 164,748 | 163,596 | 168,515 |
| TMA (Group 1) | | | | | | | | | | | | | | | | |
| TMA - 100% - 133% FPL | N/A | 16,311 | 14,170 | 13,508 | 12,741 | 15,214 | 17,173 | 19,082 | 18,903 | 19,261 | 19,517 | 20,164 | 19,305 | 19,001 | 18,491 | 19,365 |
| TMA > 133% FPL | N/A | 6,191 | 6,456 | 6,778 | 6,477 | 7,778 | 9,118 | 9,998 | 9,903 | 10,354 | 10,485 | 10,637 | 9,833 | 10,075 | 9,912 | 10,457 |
| Total TMA | N/A | 22,502 | 20,626 | 20,286 | 19,218 | 22,992 | 26,291 | 29,080 | 28,806 | 29,615 | 30,002 | 30,801 | 29,138 | 29,076 | 28,403 | 29,822 |

*Reflects total unduplicated count of members enrolled during the demonstration quarter

The rate of disenrollment for non-payment of premiums for the TMA Adult population 100% to 133% FPL was 5%, compared to 21% for the TMA Adult population over 133% FPL, and this rate of disenrollment remained constant throughout the demonstration year. We will attempt to learn more about the reasons behind the variances between the two populations through the formal evaluation.

Following is the disenrollment summary for the unique program participants in both demonstration groups over the first 4 years of the demonstration:

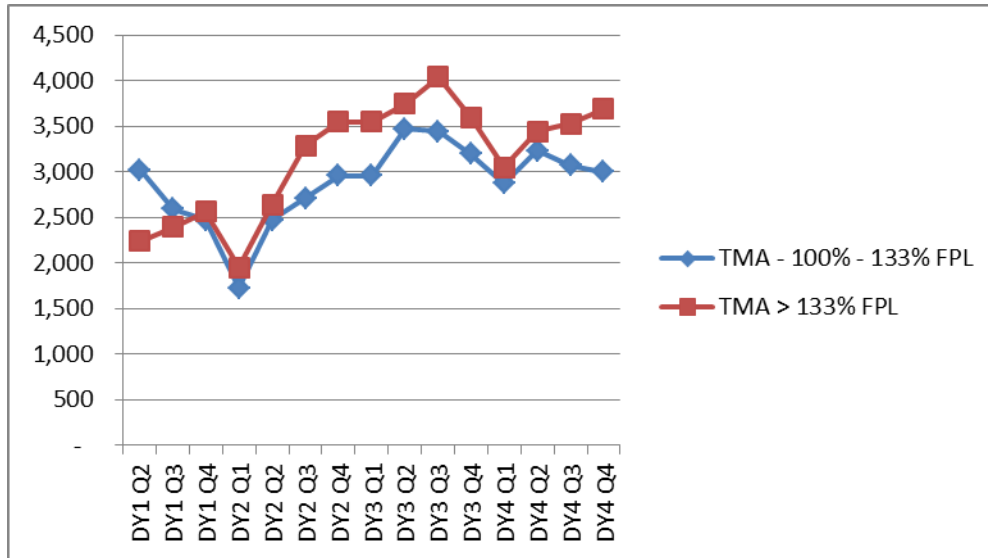


BadgerCare Reform Demonstration - CLA Disenrollment Summary*

| Demonstration Year | DY1 (CY 2014) | | | | DY2 (CY 2015) | | | | DY3 (CY 2016) | | | | DY4 (CY 2017) | | | |
|--------------------|---------------|--------|--------|--------|---------------|--------|--------|--------|---------------|--------|--------|--------|---------------|--------|--------|--------|
| | DY1 Q1 | DY1 Q2 | DY1 Q3 | DY1 Q4 | DY2 Q1 | DY2 Q2 | DY2 Q3 | DY2 Q4 | DY3 Q1 | DY3 Q2 | DY3 Q3 | DY3 Q4 | DY4 Q1 | DY4 Q2 | DY4 Q3 | DY4 Q4 |
| CLA Disenrollment | N/A | 13,019 | 11,165 | 13,744 | 17,565 | 33,147 | 23,109 | 24,579 | 24,579 | 25,643 | 24,166 | 21,166 | 19,150 | 18,846 | 17,376 | 19,358 |

*Reflects total unduplicated count of members enrolled during the demonstration quarter

TMA Disenrollment

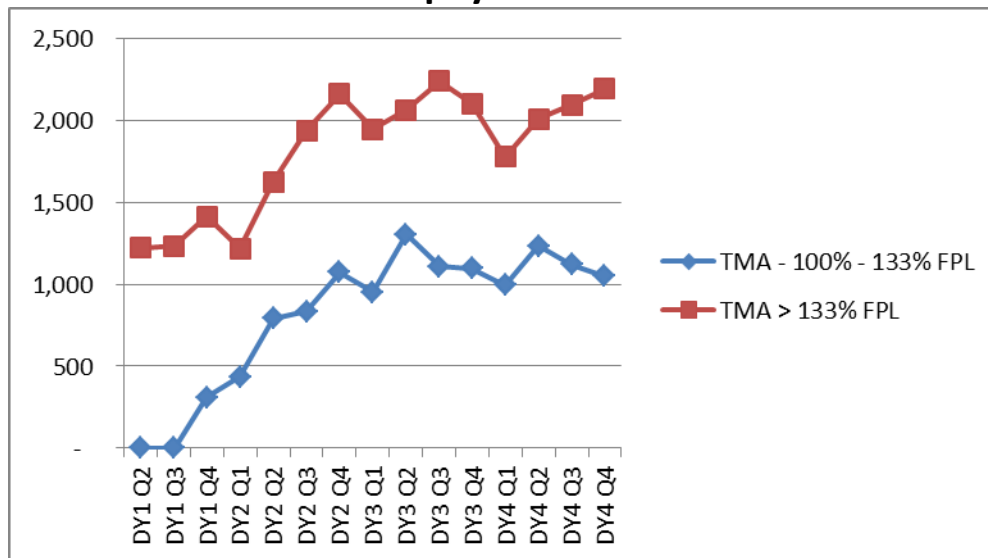


BadgerCare Reform Demonstration - TMA Disenrollment Summary*

| Demonstration Year | Q1 | DY1 (CY 2014) | | | | DY2 (CY 2015) | | | | DY3 (CY 2016) | | | | DY4 (CY 2017) | | | |
|-----------------------|-----|---------------|--------|--------|--------|---------------|--------|--------|--------|---------------|--------|--------|--------|---------------|--------|--------|--|
| | | DY1 Q2 | DY1 Q3 | DY1 Q4 | DY2 Q1 | DY2 Q2 | DY2 Q3 | DY2 Q4 | DY3 Q1 | DY3 Q2 | DY3 Q3 | DY3 Q4 | DY4 Q1 | DY4 Q2 | DY4 Q3 | DY4 Q4 | |
| TMA - 100% - 133% FPL | N/A | 3,021 | 2,595 | 2,475 | 1,724 | 2,473 | 2,713 | 2,955 | 2,955 | 3,474 | 3,443 | 3,195 | 2,876 | 3,230 | 3,071 | 3,002 | |
| TMA > 133% FPL | N/A | 2,240 | 2,397 | 2,560 | 1,954 | 2,641 | 3,286 | 3,546 | 3,546 | 3,743 | 4,039 | 3,597 | 3,050 | 3,441 | 3,525 | 3,689 | |

*Reflects total unduplicated count of members enrolled during the demonstration quarter

TMA Disenrollment Due to Non-payment of Premium



BadgerCare Reform Demonstration - TMA Disenrollment Summary*; Non-payment of Premium

| Demonstration Year | Q1 | DY1 Q2 | DY1 Q3 | DY1 Q4 | DY2 Q1 | DY2 Q2 | DY2 Q3 | DY2 Q4 | DY3 Q1 | DY3 Q2 | DY3 Q3 | DY3 Q4 | DY4 Q1 | DY4 (CY 2017) | | |
|-----------------------|-----|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|---------------|--------|--------|
| | | | | | | | | | | | | | | DY4 Q2 | DY4 Q3 | DY4 Q4 |
| TMA - 100% - 133% FPL | N/A | - | - | 309 | 436 | 791 | 833 | 1,071 | 951 | 1,304 | 1,108 | 1,094 | 995 | 1,234 | 1,118 | 1,050 |
| TMA > 133% FPL | N/A | 1,219 | 1,234 | 1,414 | 1,216 | 1,623 | 1,938 | 2,158 | 1,944 | 2,063 | 2,238 | 2,101 | 1,775 | 2,005 | 2,092 | 2,192 |

*Reflects total unduplicated count of members enrolled during the demonstration quarter

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 – 03/31/2017* | Current Enrollees (year to date)** | Disenrolled in Current Quarter | TMA Adults Disenrolled Due to Non-Payment of Premiums (current quarter)*** |
|-------------------------------|---|------------------------------------|--------------------------------|--|
| BC Reform Adults | 166,661 | 166,661 | 19,150 | N/A |
| TMA Adults – 100% to 133% FPL | 19,305 | 19,305 | 2,876 | 995 |
| TMA Adults – Over 133% FPL | 9,833 | 9,833 | 3,050 | 1,775 |

| Demonstration Populations | Total Number of Demonstration Participants Quarter Ending – 06/30/2017* | Current Enrollees (year to date)** | Disenrolled in Current Quarter | TMA Adults Disenrolled Due to Non-Payment of Premiums (current quarter)*** |
|-------------------------------|---|------------------------------------|--------------------------------|--|
| BC Reform Adults | 164,748 | 187,348 | 18,846 | N/A |
| TMA Adults – 100% to 133% FPL | 19,001 | 26,892 | 3,230 | 1,234 |
| TMA Adults – Over 133% FPL | 10,075 | 15,147 | 3,441 | 2,005 |

| Demonstration Populations | Total Number of Demonstration Participants Quarter Ending – 09/30/2017* | Current Enrollees (year to date)** | Disenrolled in Current Quarter | TMA Adults Disenrolled Due to Non-Payment of Premiums (current quarter)*** |
|-------------------------------|---|------------------------------------|--------------------------------|--|
| BC Reform Adults | 163,596 | 206,605 | 17,376 | N/A |
| TMA Adults – 100% to 133% FPL | 18,491 | 33,614 | 3,071 | 1118 |
| TMA Adults – Over 133% FPL | 9,912 | 19,933 | 3,525 | 2,092 |

| Demonstration Populations | Total Number of Demonstration Participants Quarter Ending – 12/31/2017* | Current Enrollees (year to date)** | Disenrolled in Current Quarter | TMA Adults Disenrolled Due to Non-Payment of Premiums (current quarter)*** |
|-------------------------------|---|------------------------------------|--------------------------------|--|
| BC Reform Adults | 168,515 | 228,824 | 19,358 | |
| TMA Adults – 100% to 133% FPL | 19,365 | 40,495 | 3,002 | 1,050 |
| TMA Adults – Over 133% FPL | 10,457 | 25,050 | 3,689 | 2,192 |

*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

Member Month Reporting

| Eligibility Group | Month 1 (January 2017) | Month 2 (February 2017) | Month 3 (March 2017) | Total for Quarter Ending 03/2017 |
|-------------------------------|------------------------|-------------------------|----------------------|----------------------------------|
| BC Reform Adults | 150,950 | 150,961 | 150,238 | 452,149 |
| TMA Adults – 100% to 133% FPL | 14,268 | 13,566 | 13,498 | 41,332 |
| TMA Adults – Over 133% FPL | 8,363 | 6,359 | 6,100 | 20,822 |

| Eligibility Group | Month 1 (April 2017) | Month 2 (May 2017) | Month 3 (June 2017) | Total for Quarter Ending 06/2017 |
|-------------------------------|----------------------|--------------------|---------------------|----------------------------------|
| BC Reform Adults | 149,627 | 148,428 | 146,762 | 444,817 |
| TMA Adults – 100% to 133% FPL | 13,602 | 13,477 | 13,436 | 40,515 |
| TMA Adults – Over 133% FPL | 8,085 | 6,308 | 6,630 | 21,023 |

| Eligibility Group | Month 1 (July 2017) | Month 2 (August 2017) | Month 3 (September 2017) | Total for Quarter Ending 09/2017 |
|-------------------------------|---------------------|-----------------------|--------------------------|----------------------------------|
| BC Reform Adults | 148,225 | 148,192 | 147,550 | 443,967 |
| TMA Adults – 100% to 133% FPL | 13,150 | 13,154 | 13,357 | 39,661 |
| TMA Adults – Over 133% FPL | 8,214 | 6,302 | 6,339 | 20,855 |

| Eligibility Group | Month 1 (October 2017) | Month 2 (November 2017) | Month 3 (December 2017) | Total for Quarter Ending 12/2017 |
|-------------------------------|------------------------|-------------------------|-------------------------|----------------------------------|
| BC Reform Adults | 149,410 | 150,799 | 150,799 | 451,008 |
| TMA Adults – 100% to 133% FPL | 13,644 | 13,800 | 13,800 | 41,244 |
| TMA Adults – Over 133% FPL | 8,574 | 6,603 | 6,603 | 21,780 |

Childless Adult and TMA Re-Enrollment Statistics

During the second demonstration year 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 statistics provided below include those childless adult and TMA members who were disenrolled since April 2014 (the start of the demonstration) and were enrolled through the fourth quarter of demonstration year 4.

The table below shows that the percentage of childless adults who were disenrolled in demonstration year 3 and (population group 2) regained eligibility in demonstration year 4 was at 40%, and for TMA adults (population group 1) nearly 65% had regained eligibility by the end of demonstration year 4.

| 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% | |
| 04/15 - 06/15 | CLA | 13,240 | 2 | 323 | 16 | 478 | 108 | 185 | 1 | 14,353 | 37,233 | 38.55% | |
| 04/15 - 06/15 | TMA | 6,136 | 1 | 3 | 0 | 4 | 4 | 9 | 2 | 6,159 | 9,314 | 66.13% | |
| 07/15 - 09/15 | CLA | 10,843 | 0 | 270 | 16 | 425 | 113 | 149 | 5 | 11,821 | 27,122 | 43.58% | |
| 07/15 - 09/15 | TMA | 6,778 | 0 | 3 | 0 | 13 | 3 | 9 | 1 | 6,807 | 10,482 | 64.94% | |
| 10/15 - 12/15 | CLA | 11,118 | 1 | 312 | 16 | 463 | 120 | 177 | 6 | 12,213 | 28,270 | 43.20% | |
| 10/15 - 12/15 | TMA | 7,622 | 0 | 3 | | 7 | 1 | 5 | 2 | 7,640 | 11,583 | 65.96% | |
| 01/16 - 03/16 | CLA | 10,906 | 0 | 272 | 14 | 442 | 107 | 141 | 5 | 11,887 | 28,608 | 41.55% | |
| 01/16 - 03/16 | TMA | 5,099 | 0 | 4 | 0 | 8 | 4 | 5 | 0 | 5,120 | 7,943 | 64.46% | |
| 04/16 - 06/16 | CLA | 11,659 | 0 | 260 | 11 | 426 | 97 | 162 | 5 | 12,620 | 29,221 | 43.19% | |
| 04/16 - 06/16 | TMA | 7,936 | 0 | 7 | 0 | 9 | 1 | 8 | 0 | 7,961 | 12,477 | 63.81% | |
| 07/16 - 09/16 | CLA | 10,673 | 0 | 392 | 28 | 491 | 132 | 168 | 7 | 11,891 | 27,954 | 42.54% | |
| 07/16 - 09/16 | TMA | 7,831 | 0 | 3 | 1 | 11 | 3 | 9 | 5 | 7,863 | 12,602 | 62.39% | |
| 10/16 - 12/16 | CLA | 10,651 | 0 | 320 | 28 | 474 | 122 | 166 | 8 | 11,770 | 28,968 | 40.63% | |
| 10/16 - 12/16 | TMA | 8,310 | 0 | 7 | 1 | 9 | 9 | 8 | 2 | 8,346 | 12,848 | 64.96% | |

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 demonstration year 4 annual managed care enrollment. Managed care enrollment for demonstration year 4 shows relatively stable enrollment with approximately 85% of all childless adults enrolled in managed care which is comparable with managed care enrollment for other BadgerCare Plus populations.

| BadgerCare Plus HMO Childless Adult Enrollment | Jan-17 | Feb-17 | Mar-17 | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Anthum Blue Cross Blue Shield | 14,371 | 14,935 | 15,704 | 15,868 | 15,808 | 15,907 | 15,883 | 15,941 | 16,154 | 16,186 | 16,208 | 16,221 |
| Childrens Community Health Pl | 10,684 | 11,066 | 11,171 | 11,135 | 11,043 | 11,104 | 11,009 | 11,128 | 11,262 | 11,214 | 11,220 | 11,246 |
| Compcare | 3663 | 3795 | 3775 | 3759 | 3689 | 3542 | 3387 | 3274 | 3171 | 3050 | 2970 | 2796 |
| Dean Health Plan | 4530 | 4480 | 4722 | 4711 | 4608 | 4556 | 4507 | 4506 | 4554 | 4487 | 4516 | 4475 |
| Group Health Eau Claire | 6634 | 6805 | 6818 | 6909 | 6815 | 6827 | 6720 | 6693 | 6738 | 6595 | 6603 | 6591 |
| Group Health South Central | 1832 | 1860 | 1866 | 1851 | 1778 | 1749 | 1696 | 1689 | 1662 | 1632 | 1593 | 1600 |
| Gundersen | 2452 | 2508 | 2532 | 2574 | 2489 | 2453 | 2468 | 2450 | 2418 | 2407 | 2399 | 2379 |
| Health Tradition | 1122 | 1168 | 1184 | 1193 | 1155 | 1141 | 1120 | 1124 | 1126 | 1072 | 1056 | 985 |
| iCare | 6191 | 6370 | 6587 | 6516 | 6527 | 6546 | 6401 | 6359 | 6405 | 6408 | 6419 | 6462 |
| Managed Health Services | 7678 | 7927 | 7982 | 7897 | 7714 | 7633 | 7443 | 7494 | 7561 | 2200 | 2203 | 2208 |
| Mercy | 2275 | 2347 | 2384 | 2390 | 2369 | 2340 | 2246 | 2227 | 2226 | 7534 | 7611 | 7691 |
| Molina | 8678 | 8875 | 9011 | 8893 | 8685 | 8672 | 8477 | 8489 | 8509 | 8450 | 8370 | 8405 |
| Network | 7805 | 7980 | 8049 | 7916 | 7800 | 7841 | 7703 | 7737 | 7788 | 7835 | 7872 | 7945 |
| Physicians Plus | 2680 | 2753 | 2801 | 2806 | 2678 | 2646 | 2569 | 2599 | 2619 | 2629 | 2603 | 2628 |
| Security | 8728 | 9008 | 9099 | 9185 | 9142 | 9078 | 8975 | 8933 | 8914 | 8860 | 8816 | 8784 |
| Trilogy | 3545 | 3787 | 3834 | 3875 | 3735 | 3794 | 3714 | 3728 | 3798 | 3792 | 3808 | 3833 |
| UnitedHealthcare | 29,654 | 30,576 | 31,227 | 31,143 | 30,884 | 30,804 | 30,303 | 30,236 | 30,216 | 30,062 | 30,135 | 30,103 |
| Unity | 1318 | 1325 | 1314 | 1279 | 1255 | 1282 | 1278 | 1278 | 1256 | 1280 | 1265 | 1262 |
| Total | 123,840 | 127,565 | 130,060 | 129,900 | 128,174 | 127,915 | 125,899 | 125,885 | 126,377 | 125,693 | 125,667 | 125,614 |

Operational/Policy/Systems/Fiscal Developments/Issues

The state did not identify program developments/issues/problems that have occurred in demonstration year 4 and does not anticipate 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 December 2017. 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 January 2016 to December 2016 waiver enrollment remains relatively stable.

The monthly managed care enrollment growth rate peaked in March 2015, reflecting the systematic transition of enrollees from FFS to managed care. Managed care enrollees also declined starting in April 2015.

Since the waiver's April 2014 inception, per-member-per-month (PMPM) costs have increased, but are well below the budget neutrality limits established with the waiver and we do not have any concerns or issues to report at this time.

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.

Following is a summary of the activities DHS conducted in demonstration year 4 by quarter:

Quarter One

In quarter one of demonstration year 4, DHS conducted the following activities:

- a) Health Needs Assessment (HNA) for Childless Adults – Per the 2016-2017 BadgerCare Plus and SSI HMO contract, HMOs are required to conduct a Health Needs Assessment (HNA) screening of newly enrolled childless adult (CLAs) members within two months of enrollment. In the first quarter of 2017, DHS worked with HMOs to define how to operationalize the penalty for HMOs that do not meet their 2017 HNA targets. DHS had several conference calls with HMOs to discuss the HNA penalty methodology and shared a draft of the 2017 HNA Guide.
- b) Pay-for-Performance (P4P) – Since 2009, DHS has successfully implemented a pay-for-performance program in which HMOs are held accountable to key metrics. For 2017, the P4P program is funded through a withhold of 2.5% of each HMO monthly capitation payments which is earned back by HMOs that meet targets on 14 different measures. The measures include a combination of preventive screenings (e.g. HEDIS Breast Cancer Screening, Childhood

Immunizations), management of certain chronic conditions (e.g. Comprehensive Diabetes Care, Controlling High Blood Pressure), as well as behavioral health (e.g. Follow-Up After Mental Health Hospitalization, Antidepressant Medication Management) and dental measures (e.g. Annual Dental Visit).

In the first quarter of 2017, DHS issued payments to the HMOs that meet their 2015 HMO P4P targets. DHS shared a draft of the 2017 HMO P4P Guide and scheduled a conference call with HMOs to walk them through the guide and answered their questions.

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 Plus program.

- Conducted and delivered results of SSI Care Management Review for five organizations.
- Conducted Comprehensive Review and Information Systems Capabilities Assessment for HTHP.
- Completed OBMH record reviews for Selection 21.
- Met with DHS to discuss developing record review for FCMH.
- Participated in discussions with DHS surrounding the development of measures for SSI care management changes.

Quarter Two

In quarter two of demonstration year 4, DHS conducted the following activities:

a) Health Needs Assessment (HNA) for Childless Adults – Per the 2016-2017 BadgerCare Plus and SSI HMO contract, HMOs are required to conduct a Health Needs Assessment (HNA) screening of newly enrolled childless adult (CLAs) members within two months of enrollment. In the second quarter of 2017, our EQRO, MetaStar, started to conduct reviews of HMO's care management records to assess whether or not HMOs met their 2016 HNA performance targets. In this quarter, DHS finalized the 2017 HNA guide that operationalized the penalty for HMOs that do not meet their 2017 HNA targets.

b) Pay-for-Performance (P4P) – Since 2009, DHS has successfully implemented a pay-for performance program in which HMOs are held accountable to key metrics. For 2017, the P4P program is funded through a withhold of 2.5% of each HMO monthly capitation payments which is earned back by HMOs that meet targets on 14 different measures. The measures include a combination of preventive screenings (e.g. HEDIS Breast Cancer Screening, Childhood Immunizations), management of certain chronic conditions (e.g. Comprehensive Diabetes Care, Controlling High Blood Pressure), as well as behavioral health (e.g. Follow-Up After Mental Health Hospitalization, Antidepressant Medication Management) and dental measures (e.g. Annual Dental Visit).

In the second quarter of 2017, DHS shared a final draft of the 2017 HMO P4P Guide. DHS also presented to HMOs in a monthly meeting about Advanced Payment Methodologies and the future of quality initiatives in Medicaid Managed Care.

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 Plus program.

- Conducted and delivered results of SSI Care Management Review for five organizations.
- Conducted Comprehensive Review and Information Systems Capabilities Assessment for HTHP.
- Completed OBMH record reviews for Selection 21.
- Met with DHS to discuss developing record review for FCMH.
- Participated in discussions with DHS surrounding the development of measures for SSI care management changes.

Quarter Three

Following are the current activities for the third quarter of the demonstration completed by the External Quality Review Organization (EQRO) – MetaStar for the HMOs operating the BadgerCare Plus program.

- Conducted Childless Adult-Health Needs Assessment review for eleven HMOs.
- Began OBMH record reviews for Selection 23.
- Conducted care management review of 30 records for the Foster Care Medical Home (C4K) program.
- Continued discussions with DHS surrounding the identification of measures for SSI care management changes.
- Participated in the DHS sponsored Best Practice Seminar based on the results of the SSI focused reviews conducted in May.

Quarter Four

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 Plus program.

- Finished Selection 23 and completed Selection 24 of OBMH record reviews.
- Supported DHS with the development of the PIP proposal template for the SSI Needs Stratification PIPs.
- Reviewed PIP proposals for all SSI, BC+, SMCPs.
- Reviewed and updated the NCQA Accreditation Crosswalk (NCQA Standards, Code of Federal Regulations, and DHS-HMO Contract) and delivered to 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. 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 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 E.

During the third quarter of demonstration year 2 DHS and the UW Population Health Institute discussed suggested modifications to the CMS approved evaluation design. Included in Attachment C are the following documents:

- Suggested Modifications to Approved Evaluation Design
- Evaluation Design Change Summary Crosswalk
- CMS Comments and Questions on Suggested Modifications
- Wisconsin Response to CMS Comments and Questions

DHS and the UW Population Health Institute are incorporating these modifications into the second survey and final evaluation report.

During the fourth quarter of demonstration year 4 the UW Population Health Institute completed the annual interim evaluation report. The report has been uploaded with this annual report.

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Attachment A - Budget Neutrality Monitoring Workbook

Childless Adults Draft Financial Statistics - Waiver Reporting for Quarter Ending Dec 2017

| 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 | 143,863 | 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 | 203,349,273 | 3.86% | 154,108 | 1.99% | 439.84 | 1.83% |
| QE June 2016 | 207,432,111 | 2.01% | 149,978 | -2.68% | 461.06 | 4.82% |
| QE Sept 2016 | 208,783,312 | 0.65% | 148,851 | -0.75% | 463.78 | 0.59% |
| QE Dec 2016 | 209,562,741 | 0.37% | 148,313 | -0.36% | 470.99 | 1.55% |

| 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 | 30,567,954 | 31,712 | 35,272,857 | 122,417 | 65,840,812 | 154,129 | 427.18 |
| Feb-16 | 31,560,039 | 29,849 | 36,205,235 | 124,302 | 67,765,274 | 154,151 | 439.60 |
| Mar-16 | 32,520,154 | 25,876 | 37,223,033 | 128,168 | 69,743,187 | 154,044 | 452.75 |
| Apr-16 | 32,107,251 | 25,105 | 36,595,146 | 126,197 | 68,702,397 | 151,302 | 454.07 |
| May-16 | 32,863,416 | 24,691 | 36,344,300 | 125,201 | 69,207,716 | 149,892 | 461.72 |
| Jun-16 | 33,363,798 | 24,483 | 36,158,201 | 124,258 | 69,521,999 | 148,741 | 467.40 |
| Jul-16 | 32,056,984 | 23,478 | 36,315,576 | 124,442 | 68,372,559 | 147,920 | 462.23 |
| Aug-16 | 35,289,122 | 24,025 | 36,379,061 | 124,254 | 71,668,183 | 148,279 | 483.33 |
| Sep-16 | 32,179,935 | 23,541 | 36,562,634 | 124,658 | 68,742,569 | 148,199 | 463.85 |
| Oct-16 | 32,637,451 | 24,033 | 36,117,486 | 123,296 | 68,754,937 | 147,329 | 466.68 |
| Nov-16 | 32,466,950 | 24,757 | 36,139,367 | 123,308 | 68,606,316 | 148,065 | 463.35 |
| Dec-16 | 32,697,705 | 26,137 | 35,947,933 | 122,492 | 68,645,638 | 148,629 | 461.86 |
| Jan-17 | 34,790,635 | 29,033 | 36,733,934 | 121,647 | 71,524,569 | 150,680 | 474.68 |
| Feb-17 | 31,548,016 | 26,294 | 37,651,889 | 124,813 | 69,199,905 | 151,107 | 457.95 |
| Mar-17 | 35,912,236 | 23,632 | 38,311,009 | 127,222 | 74,223,246 | 150,854 | 492.02 |
| Apr-17 | 32,691,691 | 22,188 | 38,255,202 | 127,204 | 70,946,893 | 149,392 | 474.90 |
| May-17 | 36,535,340 | 22,241 | 37,980,190 | 126,296 | 74,515,530 | 148,537 | 501.66 |
| Jun-17 | 35,900,235 | 22,042 | 37,709,725 | 125,315 | 73,609,960 | 147,357 | 499.53 |
| Jul-17 | 34,441,491 | 22,060 | 38,019,173 | 126,385 | 72,460,664 | 148,445 | 488.13 |
| Aug-17 | 37,955,284 | 22,056 | 38,072,922 | 126,406 | 76,028,206 | 148,462 | 512.11 |
| Sep-17 | 35,201,070 | 20,737 | 38,158,299 | 126,886 | 73,359,369 | 147,623 | 496.94 |
| Oct-17 | 38,330,464 | 22,854 | 37,950,047 | 126,282 | 76,280,510 | 149,136 | 511.48 |
| Nov-17 | 36,063,842 | 24,541 | 37,949,514 | 126,261 | 74,013,356 | 150,802 | 490.80 |
| Dec-17 | 33,910,588 | 25,781 | 37,999,167 | 126,257 | 71,909,755 | 152,038 | 472.97 |

*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 Oct 2017 through Dec 2017
 *** Expenditures and enrollment may not tie to future quarterly reports as numbers will be adjusted to account for claims lag
 **** All data for May 2017 - Dec 2017 pulled on 3/20/2018 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.

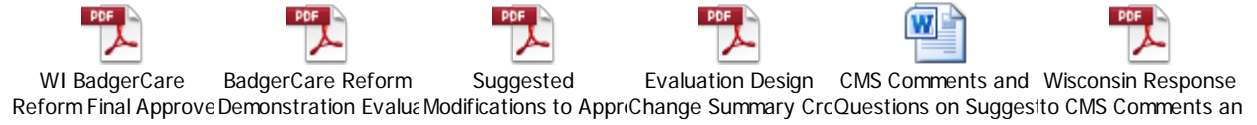
Attachment B – Summary of Cost-Sharing for TMA Adults Only

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 & Approved Modifications



Attachment D – BadgerCare Plus Reform Waiver Project Work Plan



BadgerCare Plus
Reform Waiver Projec

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



BadgerCare Reform
Waiver Evaluation - S