

Wisconsin BadgerCare Reform 1115 Waiver Demonstration  
Section 1115 Quarterly Report

**Section 1115 Quarterly Report Summary**

Demonstration Year:  
4 (1/1/2017 – 12/31/2017)  
Federal Fiscal Quarter:  
3 (4/1/2017 – 6/30/2017)

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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 the second quarter of demonstration year 4 the number of unique program participants decreased. From the prior quarter the total number of unique program participants decreased from 166,661 to 164,748. Total monthly enrollment also decreased from the prior quarter with 150,950 childless adults in March 2017 and 146,762 childless adults in June 2017.

Transitional Medical Assistance (TMA) Adults (Population Group 1) - In the second quarter of demonstration year 4 the number of unique program participants decreased slightly. From the prior quarter the total number of unique program participants decreased from 29,138 to 29,076. Total monthly enrollment, however, increase slightly from the prior quarter with 19,598 TMA adults in March 2017 and 20,066 TMA adults in June 2017. .

The rate of disenrollment for non-payment of premiums for the TMA Adult population 100% to 133% FPL was 6%, compared to 20% for the TMA Adult population over 133% FPL, representing an increase in both income levels of 5% and 18% respectively from the prior 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.

<b>Enrollment Counts for Quarter and Year to Date</b>				
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
*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 (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

### 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 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 4.

While program enrollment has stabilized within demonstration population groups, the childless adult population (group 2) experienced an increase, and the TMA adult population (group 1) experienced a decrease in re-enrollments from the prior quarter.



## 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 has decreased a little over 2,000 members from the prior quarter.

<b>BadgerCare Plus HMO Childless Adult Enrollment</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Mar-17</b>	<b>Apr-17</b>	<b>May-17</b>	<b>Jun-17</b>
Anthum Blue Cross Blue Shield	14,371	14,935	15,704	15,868	15,808	15,907
Childrens Community Health Pl	10,684	11,066	11,171	11,135	11,043	11,104
Compcare	3663	3795	3775	3759	3689	3542
Dean Health Plan	4530	4480	4722	4711	4608	4556
Group Health Eau Claire	6634	6805	6818	6909	6815	6827
Group Health South Central	1832	1860	1866	1851	1778	1749
Gundersen	2452	2508	2532	2574	2489	2453
Health Tradition	1122	1168	1184	1193	1155	1141
iCare	6191	6370	6587	6516	6527	6546
Managed Health Services	7678	7927	7982	7897	7714	7633
Mercy	2275	2347	2384	2390	2369	2340
Molina	8678	8875	9011	8893	8685	8672
Network	7805	7980	8049	7916	7800	7841
Physicians Plus	2680	2753	2801	2806	2678	2646
Security	8728	9008	9099	9185	9142	9078
Trilogy	3545	3787	3834	3875	3735	3794
UnitedHealthcare	29,654	30,576	31,227	31,143	30,884	30,804
Unity	1318	1325	1314	1279	1255	1282
<b>Total</b>	<b>123,840</b>	<b>127,565</b>	<b>130,060</b>	<b>129,900</b>	<b>128,174</b>	<b>127,915</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

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 June 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. Childless adult waiver enrollment has remained relatively stable since March 2015.

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.

In this quarter, 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.

## **External Quality Review Activities**

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.

## **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 E.

During the third quarter of demonstration year 3 DHS and the UW Population Health Institute also 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 will incorporate these modifications into the second survey and final evaluation report. DHS is currently working on submitting a formal amendment request for CMS review and approval.



During the second quarter of demonstration year 4 the UW Population Health Institute submitted their updated interim evaluation and scientific report to DHS. The interim evaluation and scientific report have been uploaded to the CMS portal as separate documents.

## **State Contact(s)**

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# Attachment A – Budget Neutrality Monitoring Workbook

## Childless Adults Draft Financial Statistics - Waiver Reporting for Quarter Ending June 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	143,883	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	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	32,230,083	22,150	38,259,049	127,212	70,489,132	149,362	471.93
May-17	35,706,249	21,969	38,016,461	126,376	73,722,711	148,345	496.97
Jun-17	34,564,597	21,380	37,742,692	125,410	72,307,289	146,790	492.59

\*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 Jan 2017 through June 2017  
 \*\*\* Expenditures and enrollment may not tie to future quarterly reports as numbers will be adjusted to account for claims lag  
 \*\*\*\* All data for Jan 2017 - June 2017 pulled on Aug 28, 2017 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



WI BadgerCare Reform Final Approval



BadgerCare Reform Demonstration Evaluation



Suggested Modifications to Approval



Evaluation Design Change Summary



CMS Comments and Questions on Suggestions



Wisconsin Response to CMS Comments and Questions

## 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 Plus  
Reform Waiver Project