

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:  
2 (1/1/2017 – 3/31/2017)

## Table of Contents

Introduction .....	3
Enrollment and Benefits Information.....	3
Outreach/Innovative Activities to Assure Access .....	5
Collection and Verification of Encounter Data and Enrollment Data.....	6
Operational/Policy/Systems/Fiscal Developments/Issues .....	6
Financial/Budget Neutrality Development/Issues.....	6
Consumer Issues .....	7
Quality Assurance/Monitoring Activity .....	7
Managed Care Reporting Requirements .....	8
Demonstration Evaluation.....	8
State Contact(s) .....	9
Attachment A – Budget Neutrality Monitoring Workbook .....	10
Attachment B – Summary of Cost-Sharing for TMA Adults Only .....	11
Attachment C – Demonstration Evaluation Plan & Approved Modifications .....	12
Attachment D – BadgerCare Plus Reform Waiver Project Work Plan .....	13
Attachment E – University of Wisconsin Scope of Work & Project Work Plan .....	14

## 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 first 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 166,740 from 166,661. Total monthly enrollment increased from the prior quarter with 148,334 childless adults in December 2016 and 150,950 childless adults in March 2017.

Transitional Medical Assistance (TMA) Adults - In the first 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 30,801 to 29,138. Total monthly enrollment also decreased from the prior quarter with 21,223TMA adults in December 2016 and 19,598 TMA adults in March 2017.

The rate of disenrollment for non-payment of premiums for the TMA Adult population 100% to 133% FPL was 5%, compared to 18% for the TMA Adult population over 133% FPL, with no change for the TMA Adult population 100% to 133% and a slight decrease for the TMA Adult population over 133% 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 – 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
*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 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

### 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) and the TMA adult population (group 1) experienced a decrease in re-enrollments from the prior quarter.

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	11118	1	312	16	463	120	177	6	12213	28270	43.20%	
10/15 - 12/15	TMA	7622	0	3		7	1	5	2	7640	11583	65.96%	
01/16 - 03/16	CLA	10906	0	272	14	442	107	141	5	11887	28608	41.55%	
01/16 - 03/16	TMA	5099	0	4	0	8	4	5	0	5120	7943	64.46%	
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 has increased slightly from the prior quarter.

<b>BadgerCare Plus HMO Childless Adult Enrollment</b>	<b>Jan-17</b>	<b>Feb-17</b>	<b>Mar-17</b>
Anthum Blue Cross Blue Shield	14,371	14,935	15,704
Childrens Community Health	10,684	11,066	11,171
Compcare	3663	3795	3775
Dean Health Plan	4530	4480	4722
Group Health Eau Claire	6634	6805	6818
Group Health South Central	1832	1860	1866
Gundersen	2452	2508	2532
Health Tradition	1122	1168	1184
iCare	6191	6370	6587
Managed Health Services	7678	7927	7982
Mercy	2275	2347	2384
Molina	8678	8875	9011
Network	7805	7980	8049
Physicians Plus	2680	2753	2801
Security	8728	9008	9099
Trilogy	3545	3787	3834
UnitedHealthcare	29,654	30,576	31,227
Unity	1318	1325	1314
<b>Total</b>	<b>123,840</b>	<b>127,565</b>	<b>130,060</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 March 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 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.

## **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 first quarter of demonstration year 4 the UW Population Health Institute submitted their updated draft of the interim evaluation report to DHS. DHS is current reviewing the updated draft report and will submit to CMS once complete.

## **State Contact(s)**

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# Attachment A – Budget Neutrality Monitoring Workbook

## Childless Adults Draft Financial Statistics - Waiver Reporting for Quarter Ending March 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	18,236,745	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	34,028,900	28,955	36,738,097	121,654	70,766,998	150,609	469.87
Feb-17	30,560,825	25,927	37,652,442	124,823	68,213,267	150,750	452.49
Mar-17	34,375,653	22,806	38,305,369	127,235	72,681,022	150,041	484.41

\*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 2016 through Dec 2016  
 \*\*\* Expenditures and enrollment may not tie to future quarterly reports as numbers will be adjusted to account for claims lag  
 \*\*\*\* All data for Jul 2016 - Dec 2016 pulled on Jan 23, 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

## 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 Plus  
Reform Waiver Project