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December 16, 2024

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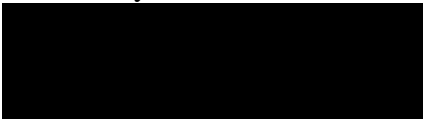
Dear Ms. Schlom,

I am pleased to submit Wisconsin's Section 1115 Demonstration Waiver application for an amendment to the BadgerCare Reform Demonstration Project. The Centers for Medicare and Medicaid Services (CMS) approved Wisconsin's BadgerCare Reform extension application on October 29, 2024 for an additional five year demonstration period. The Wisconsin Department of Health Services (DHS) is seeking approval to expand the current authority to reimburse for acute inpatient stays in Wisconsin hospital-based institutions for mental diseases (IMDs) to include Medicaid-enrolled adults aged 12 to 64 who are diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED).

Currently, Wisconsin provides coverage in IMDs for members under age 21 and over age 64. Under this waiver, Wisconsin would close this gap in coverage by reimbursing psychiatric services provided in a hospital IMD to members of all ages. This waiver will address a critical gap in Wisconsin's continuum of crisis and mental health services and build upon the state's commitment to improve access to care for individuals with mental illness.

DHS is optimistic for a favorable response and looks forward to working with CMS to continue to innovate and improve health for the childless adult population. In the meantime, if you have questions or need any information, please contact Allie Merfeld at 608-267-4029 or at [Alexandra.Merfeld@dhs.wisconsin.gov](mailto:Alexandra.Merfeld@dhs.wisconsin.gov).

Sincerely,

  
Bill Hanna  
Medicaid Director

**BadgerCare Reform 1115 Waiver  
Serious Mental Illness / Serious Emotional  
Disturbance Amendment Application**

**Wisconsin Medicaid  
December 2024**

## Contents

Section I. Executive Summary .....	4
Section II. Program Background, Goals, and Strategies .....	5
A. Program Background .....	5
B. Demonstration Goals .....	7
C. Wisconsin’s Strategies for Addressing Waiver Milestones .....	7
Section III. Demonstration Description .....	11
A. Delivery System .....	11
B. Eligibility Requirements .....	11
C. Benefits Coverage .....	12
D. Cost Sharing .....	12
E. Impact on Enrollment .....	12
F. Payment Rates.....	12
Section IV. Impact on Expenditures/Financing and Budget Neutrality .....	12
Section V. Demonstration Hypothesis and Preliminary Evaluation Plan.....	13
Section VI. Waiver and Expenditure Authorities .....	16
Section VII. Public Notice and Tribal Consultation .....	16
Public Notice .....	16
Website .....	16
Public Hearing .....	17
Tribal Consultation.....	17
Availability of Waiver Materials and Comment Mechanisms .....	17
Public Comment Availability .....	18
Summary of Public Comments .....	18
Tribal Government Comment Summary .....	25
Consideration of Public Comments in Final Waiver.....	25
Appendix A. Acronyms.....	27
Appendix B. Public Notice.....	28
Full Public Notice .....	28
Abbreviated Public Notice.....	33
Appendix C. Tribal Consultation .....	36
Tribal and State Collaborative for Positive Change Agenda .....	36

Tribal and State Collaboration for Positive Change Presentation .....	37
Tribal Health Directors Meeting Agenda.....	40
Tribal Health Directors Presentation.....	42
Tribal Notification Letters.....	45
Appendix D: Gov Delivery Email Notifications .....	97
ForwardHealth Partners Listserv .....	97
ForwardHealth Provider Listserv .....	99
Appendix E: Public Hearing .....	101
Agenda .....	101
Public Hearing Presentation.....	103
Appendix F: Budget Neutrality Tables .....	106
Five Years of Historic Data .....	106
Without Waiver .....	107
With Waiver .....	107
Budget Neutrality Summary.....	108

## Section I. Executive Summary

Through this demonstration project, the Wisconsin Department of Health Services (DHS) seeks to expand the current authority to reimburse for acute inpatient stays in Wisconsin hospital-based institutions for mental diseases (IMDs) to include Medicaid-enrolled adults, age 21 to 64, diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED). This demonstration would amend Wisconsin's BadgerCare Reform 1115 waiver, (hereafter referred to as the BadgerCare Waiver), complementing the existing residential substance use disorder demonstration project also approved under that waiver.

Wisconsin has historically covered an array of treatment options for members with substance use disorders (SUDs), including outpatient counseling, day treatment, psychosocial rehabilitation, medication-assisted treatment, and inpatient treatment. Wisconsin's BadgerCare waiver amendment was approved by the Centers for Medicare & Medicaid Services (CMS) in 2018. It authorized federal funding for residential substance use disorder (SUD) treatment provided to Medicaid members in IMDs. The BadgerCare waiver equipped Wisconsin to better address the full continuum of treatment needs for members with SUD and co-occurring SUD and mental health needs by allowing Medicaid to reimburse IMDs for Medicaid eligible adults ages 21 to 64 with SUDs.

However, adults with severe mental illness who are not being treated for SUD continue to have limited access to acute mental health treatment in Wisconsin. Currently, Wisconsin provides coverage in IMDs for members under age 21 and over age 64. Under this waiver, Wisconsin would close this gap in coverage by reimbursing psychiatric services provided in a hospital IMD to members of all ages. Wisconsin would align coverage for all medically necessary inpatient admissions, including elective urgent admissions as well as emergency admissions for this population to match the existing coverage policy for members under age 21 and over 64. Emergency admissions are involuntary civil commitments necessary to prevent death or serious impairment of the member's health. Medicaid routinely covers medically necessary services related to medical emergencies and intends to cover medically necessary services related to mental health emergencies. Individuals residing in an IMD under operation of criminal law would not be eligible for this benefit. This includes individuals being treated to gain competency to stand trial. Through this SMI/SED waiver amendment, Wisconsin will provide more equitable access to care for members with mental health conditions.

The SMI/SED waiver will expand access to care for new patient populations and address a critical gap in Wisconsin's continuum of crisis and mental health services. It will strengthen care coordination and transitions to community care for Medicaid-eligible adults with mental illness by implementing CMS requirements for pre-discharge care coordination planning. Care planning assessments will consider the member's social determinants of health and provide warm handoffs to community-based services. The assessments will identify treatment needs, criteria for discharge readiness, access to community resources, treatment plans, and supports. They will include information about health care access (insurance status, established providers, access to medication/pharmacy), safe housing, transportation, legal issues, and personal safety. Wisconsin's state health information exchange (WISHIN) will facilitate data sharing for care coordination and continuity of care as patients transition from inpatient to community-based treatment settings.

This waiver will build upon Wisconsin's readiness and commitment to improve access to care for individuals with mental illness. The state is actively engaged in improving behavioral health services,

including crisis system transformation. After an extensive study of the state's behavioral health system in 2019, Wisconsin is aligning with the best practice "Crisis Now" framework as a comprehensive statewide crisis system. In 2022, Wisconsin began providing free, confidential services to individuals who are in crisis by implementing the 988 Suicide and Crisis Lifeline. In 2023, Wisconsin Medicaid reduced the need for law enforcement responses by implementing an expanded mobile crisis benefit to reimburse teams of mental health professionals who respond to individuals in crisis. Since 2020, Wisconsin expanded access to treatment by opening three youth crisis stabilization facilities and five regional adult crisis stabilization facilities.

Wisconsin Medicaid provides coverage for a range of treatment options at various levels of intensity to meet the individual needs and preferences of the member. We are dedicated to enhancing the availability of non-hospital, non-residential crisis stabilization services by improving local capacity to manage crises effectively within community settings, thereby reducing the need for residential crisis placements and promoting sustained recovery for youth and adults experiencing behavioral health challenges. The state continues to demonstrate a commitment to strengthening and expanding the continuum of care through recent initiatives to expand coverage and reimbursing for multi-disciplinary mobile crisis teams, adding new billable provider types, and updating billing codes to differentiate services along the continuum of care.

Wisconsin has numerous programs and policies that can be leveraged for earlier identification, engagement, and treatment of serious mental health conditions. They include Wisconsin Medicaid's comprehensive coverage of outpatient mental health and substance abuse treatment services in settings as diverse as the member's home (for members under 21 years of age and their parent), provider's office, hospital, nursing home, school, hospital outpatient clinic, and outpatient clinic. With these policies, members receive care through schools, supported education and employment programs, and integrated behavioral health care in primary care settings in Wisconsin's Federally Qualified Health Centers (FQHCs).

Medicaid coverage is essential to the accessibility and sustainability of programs that treat mental health in Wisconsin. While Wisconsin prioritizes the provision of non-institutional, community-based mental health care, we also recognize treating some serious mental illnesses requires short-term inpatient treatment in a specialized psychiatric hospital setting. By pursuing this waiver amendment, Wisconsin seeks to fill a critical gap in the state's continuum of Medicaid-covered crisis and mental health services and improve access to necessary care for individuals with mental health conditions.

## Section II. Program Background, Goals, and Strategies

### A. Program Background

Through this demonstration project, DHS seeks to expand the current authority to reimburse for acute inpatient stays in hospital IMDs to include individuals diagnosed with serious mental illness or serious emotional disturbance. This will expand access to care for new populations and address a gap in Wisconsin's continuum of crisis and mental health services. This demonstration would amend Wisconsin's BadgerCare Reform 1115 waiver, (hereafter referred to as the BadgerCare Waiver), complimenting the existing residential substance use disorder demonstration project also approved under that waiver.

### **BadgerCare Waiver**

In 2018, the Wisconsin DHS received authority from the Centers for Medicare & Medicaid Services to reimburse institutions for mental diseases for Medicaid eligible individuals ages 21 to 64 with substance use disorders. Historically, Wisconsin covered an array of treatment options for members with SUDs, including outpatient counseling, day treatment, psychosocial rehabilitation, medication-assisted treatment, and inpatient treatment. Funding for residential levels of SUD treatment was limited because nearly two-thirds of all SUD residential treatment beds in Wisconsin were in IMDs. The BadgerCare waiver amendment sought to fill a gap in Wisconsin's continuum of reimbursable benefits by authorizing federal funding for treatment provided to Medicaid members in IMDs, including residential SUD treatment facilities.

While the existing BadgerCare waiver equips Wisconsin to better address the full continuum of treatment needs for individuals with SUD, adults with SMI or SED who do not have SUD concerns continue to have limited access to acute mental health treatment in IMD settings. Medicaid managed care members may have some time-limited coverage through the in lieu of services managed care contract provision, but Medicaid fee-for-service (FFS) members have no coverage for IMD stays. Through this waiver amendment, Wisconsin will provide more equitable access to the full continuum of care for members with mental health conditions.

### **Crisis System Transformation**

Wisconsin has been actively engaged in improving behavioral health services, including crisis system transformation.

- In 2019, Wisconsin conducted an extensive study of the state's overall behavioral health system, including a survey of all county crisis programs, to identify strengths and gaps in existing systems of care. Since then, Wisconsin has worked to align with the best practice "Crisis Now" framework as a comprehensive statewide crisis system.
- In 2022, Wisconsin implemented the 988 Suicide and Crisis Lifeline to provide free and confidential support for anyone experiencing a suicidal, mental health, and/or substance use crisis.
- In 2023, Wisconsin Medicaid implemented an expanded mobile crisis benefit to provide reimbursement for teams of mental health professionals responding to individuals in crisis, intended to reduce the need for law enforcement responses.
- Since 2020, Wisconsin has opened three youth crisis stabilization facilities and five regional adult crisis stabilization facilities to provide home-like settings for individuals who can't safely stay in their community but who don't need to be hospitalized. Today, a project is underway to establish sub-acute regional crisis urgent care observation and receiving facilities. These facilities provide voluntary and involuntary treatment to individuals in crisis with the goal of avoiding unnecessary hospitalizations.

Wisconsin prioritizes the provision of non-institutional, community-based mental health care. At the same time, Wisconsin recognizes that treating some serious mental illnesses requires short-term inpatient treatment in a specialized psychiatric hospital setting. However, the lack of Medicaid funding for IMD settings limits access to care for individuals affected by SMI or SED conditions. This waiver amendment allows Wisconsin to address a gap in the state's continuum of Medicaid-covered crisis and mental health services, providing improved access to needed care for individuals with mental health conditions.

## B. Demonstration Goals

Wisconsin's goals are aligned with CMS's goals for this demonstration waiver and are part of broader efforts within the Wisconsin Department of Health Services to ensure a comprehensive continuum of behavioral health services, including:

- Reduced utilization and lengths of stay in EDs among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings;
- Reduced preventable readmissions to acute care hospitals and residential settings;
- Improved availability of crisis stabilization services including services made available through call centers and mobile crisis units, intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings;
- Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI or SED including through increased integration of primary and behavioral health care; and
- Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.

## C. Wisconsin's Strategies for Addressing Waiver Milestones

### **Ensuring Quality of Care in Psychiatric Hospitals**

Wisconsin has mechanisms to ensure members receive high quality care in hospitals. These mechanisms establish and maintain appropriate standards for these treatment settings through licensure and accreditation, monitoring and oversight processes, and program integrity requirements and processes.

The Wisconsin Department of Health Services Division of Quality Assurance (DQA) is responsible for the accreditation and oversight of hospitals. Wisconsin hospitals are licensed by DQA for behavioral health treatment as required by Wisconsin Code DHS 124.03 (1) and Wisconsin Statute § 50.36 (1). Although Wisconsin does not require hospitals to be accredited by an outside accreditation entity, nearly all hospitals seek Medicare enrollment. New hospitals have historically obtained outside accreditation within twelve months of Medicaid enrollment. Hospitals are periodically surveyed and recertified either by the state or an outside accreditation entity like the Joint Commission (every three years on average). DQA surveys hospitals to the Medicare conditions of participation (Medicare CoP). Outside accreditation entities survey hospitals to either the Medicare CoP or a higher standard.

Wisconsin Medicaid has authorities and tools in place that could be leveraged to ensure members have access to the appropriate levels and types of care and to provide oversight to ensure lengths of stay are limited to what is medically necessary. Wisconsin Code DHS 107.02(3)(a) provides authority to the Wisconsin Medicaid Program to prior authorize services, and the program already uses a certificate of need (CON) form, process, and policy for IMD stays for members under 21. The Medicaid Program's contracted external quality review organization (EQRO) vendor performs reviews of CON documentation for appropriateness. Upon approval of this waiver amendment, Wisconsin will implement prior authorization or extend the CON requirements for the contracted EQRO vendor for services delivered under this waiver amendment. Wisconsin will clarify expectations for coverage and payment of services with Medicaid managed care plans.



The state also has mechanisms for ensuring hospitals meet federal program integrity requirements. DHS evaluates and assigns providers a risk level at enrollment and revalidation. At enrollment and while enrolled, a provider is checked against the List of Excluded Individuals and Families, Excluded Parties List System, and the Social Security Administration Death Master Report. Providers found to be in violation are end-dated. The Wisconsin Office of the Inspector General provides program integrity oversight such as data analysis, post pay audits, compliance reviews, payment integrity review, and investigation of credible allegations of fraud.

Wisconsin Medicaid requires psychiatric hospitals to meet the screening criteria set forth in Wisconsin Code DHS 105.21 and 42 CFR § 482.61 and to have the capacity to address issues discovered during screening. Upon admission, psychiatric hospitals perform a physical examination and take the patient's health history. The expectation is the hospital will have capacity to deal with common acute physical issues or transfer the patient to a different hospital for care.

### **Improving Care Coordination and Transitions to Community-Based Care**

Currently, Wisconsin Medicaid does not have a pre-discharge care coordination requirement specific to individuals hospitalized for SMI and SED. However, there are some requirements and resources in place that could be leveraged and expanded to achieve this milestone.

- Approximately 72% of Wisconsin Medicaid members are enrolled in acute and primary care managed care organizations (MCOs), including almost 300,000 members who require care for SMI and SED. Medicaid MCO contracts include requirements for care coordination and case management services for members.
- Wisconsin's contracts for Family Care (long-term care coverage) and Family Care Partnership (long-term care, health care, and prescription drug coverage) also include provisions for pre-discharge care coordination and require a memorandum of understanding with county human services. In Wisconsin, this is critical because county human services coordinate Medicaid member behavioral health benefits, including with IMDs.
- For members in FFS Medicaid, Medicare care coordination requirements apply. Wisconsin hospitals are surveyed to Medicare CoP and Medicare requires providers to meet the discharge planning standards identified in 42 CFR § 482.43, which include coordination with community-based providers. Wisconsin will implement a change to the FFS Medicaid policy to require care coordination before discharge from a hospital IMD.

Addressing housing needs is not required by state or federal regulation for Wisconsin hospitals. However, many hospitals already screen and refer homeless patients to housing resources as a part of discharge planning.

- For members enrolled in SSI Medicaid, MCO contracts require consideration of housing stability as part of a broader social determinants of health assessment when developing member care plans.
- Wisconsin's Family Care and Family Care Partnership Programs conduct a risk assessment of each member's housing stability and finances to sustain housing. If required by the member, the program supplies housing counseling services and relocation services for assistance finding and establishing housing in the community.
- Include, Respect, I Self-Direct (IRIS) is a program for adults with disabilities and elderly people in Wisconsin that provides long-term care services and supports for individuals who prefer to

manage their own needs through an FFS arrangement rather than through managed care. Wisconsin's IRIS program provides housing counseling and relocation services if it is an identified need chosen by the member.

- In general, FFS policy does not currently require IMDs to assess housing and referral to resources.

Wisconsin will implement a policy change to require consideration and documentation of social determinants of health, including housing stability, during IMD discharge planning.

Neither Wisconsin hospital regulations nor Wisconsin Medicaid policy require psychiatric hospitals and residential treatment settings to contact patients within 72 hours of discharge. Wisconsin Medicaid will implement a policy change to require facilities to contact each patient within 72 hours of discharge and to ensure individuals access follow-up care after leaving those facilities and use claims auditing to assure consistent follow-up.

Wisconsin has programs and resources to prevent or decrease the length of stay in emergency departments (EDs) among beneficiaries with SMI or SED, including regional crisis stabilization facilities, crisis urgent care and observation facilities, youth crisis stabilization services, co-responder mobile units and mobile assessments, an intensive ED care coordination pilot project (2017 WI Act 279), integrating peers into crisis responder models, and utilizing telehealth to support law enforcement responding to mental health crises.

In addition to the programs and resources listed above, there are two pieces of recent legislation that will expand Wisconsin's ability to prevent or decrease length of stay in EDs. These include:

- 2019 Wisconsin Act 122: DHS to create new administrative rule DHS 72 for Peer Recovery Coaches along with Medicaid reimbursement policy outside of existing benefit coverage (Spring 2025), and
- 2024 Wisconsin Act 249: DHS to create new administrative rule DHS 31 for Crisis Urgent Care and Observation Facilities (mid-late 2025).

2009 Wisconsin Act 274 established Wisconsin's State Health Information Exchange (WISHIN) and set forth requirements for interoperability and access to health information. After more than ten years of operation, the WISHIN platform can be leveraged to facilitate care coordination and continuity of care as patients transition from inpatient to community-based treatment settings.

In Wisconsin, IMDs are currently required to assess the patient immediately upon admission and periodically during their stay to identify treatment needs, criteria for discharge readiness, access to community resources, treatment, and supports. This assessment also includes access to healthcare (insurance status, any already established providers, access to medication/pharmacy,) safe housing, transportation, legal issues, and personal safety.

### **Increasing Access to Continuum of Care Including Crisis Stabilization Services**

Wisconsin Medicaid provides coverage for a range of treatment options at various levels of intensity to meet the individual needs and preferences of the member.

Wisconsin DHS has the resources to conduct an annual assessment of the availability of mental health providers. Wisconsin is currently creating a publicly available directory of Medicaid-enrolled providers. The project is expected to be complete in July 2025.

The Wisconsin Department of Health Services Division of Care and Treatment Services (DCTS) is dedicated to enhancing the availability of non-hospital, non-residential crisis stabilization services. The DCTS Bureau of Prevention, Treatment, and Recovery improves local capacity to manage crises effectively within community settings, thereby reducing the need for residential crisis placements and promoting sustained recovery for youth and adults experiencing behavioral health challenges. Medicaid covers crisis intervention services including mobile crisis response, crisis stabilization and crisis follow up. Wisconsin continues to demonstrate a commitment to strengthening and expanding the continuum of care through recent initiatives to expand coverage and reimbursing for multi-disciplinary mobile crisis teams, adding new billable provider types, and updating billing codes to differentiate services along the continuum of care. Medicaid coverage is essential to the sustainability of county crisis programs.

The Wisconsin Hospital Association (WHA) administers a psychiatric bed locator tool that allows participating providers to identify available inpatient and crisis stabilization beds. Participation is voluntary. Wisconsin will work with WHA to expand participation in the psychiatric bed locator tool, particularly among state-run hospitals and crisis stabilization providers.

Per Wisconsin Code DHS 51.03(5)(b), Wisconsin requires that a comprehensive assessment has been completed to determine a plan of care. There is no specific assessment tool required for IMDs and other behavioral health providers. Many behavioral health providers use LOCUS as a standard assessment tool. Wisconsin will require the use of an evidence-based tool, but not a specific tool, to allow for flexibility to use the appropriate tool in the appropriate situation.

### **Earlier Identification and Engagement in Treatment, Including Through Increased Integration**

Wisconsin has programs and policies that can be leveraged for earlier identification of serious mental health conditions and focus efforts to engage individuals for earlier treatment, including existing programs focused on young adults and adolescents.

Existing Wisconsin Medicaid provides services that identify youth in need of SMI or SED treatment. These mechanisms can be adapted to identify adults in need of SMI or SED treatment.

- The Coordinated Services Team, Coordinated Specialty Care programs, and the Individual Placement and Support model provide supports for youth in need of SMI and SED treatment. The Division of Medicaid Services and Employment Resources Inc. coordinate on Think Possible!, a website that assists youth with delays and disabilities and their parents to build a future toward employment.
- 2017 Wisconsin Act 178 requires the Department of Workforce Development's Division of Vocational Rehabilitation, the Department of Health Services, and the Department of Public Instruction to collaborate, with the input of interested parties, in the development of a joint plan to increase Competitive Integrated Employment in Wisconsin for adults and youth.
- The Wisconsin Medicaid Children's Long-Term Supports Waiver Program benefit includes supports for career planning and community integrated employment for youth.
- Children enrolled in the Comprehensive Community Services Program receive services for mental or behavioral health needs that, if ignored, could lead to hospitalization during a crisis.

Nearly all schools across the state partner with specialty treatment providers or employ their own school-based mental health providers to offer access to expert resources and consultation, enhancing early intervention. Wisconsin Intellectual and Developmental Disabilities and Mental Health (IDD-MH) System Improvement (formerly called the START Initiative) aims to improve systems and services for people who have intellectual and developmental disabilities and mental health needs. The next phase of the Wisconsin IDD-MH System Improvement project ([dhs.wi.gov/dms/imsi.htm](https://dhs.wi.gov/dms/imsi.htm)) will be implementation. In recent years, there has been a movement towards integrating behavioral health care into primary care settings in Wisconsin's FQHCs. Wisconsin Medicaid covers collaborative care and behavioral health integration services in primary care settings, including FQHCs.

Wisconsin has options for specialized settings and services focused on the needs of young people. Wisconsin Medicaid provides comprehensive coverage of outpatient mental health and substance abuse treatment services. Reimbursement is allowed in the home (for members under 21 years of age and their parents), provider's office, hospital, nursing home, school, hospital outpatient clinic, and outpatient clinic. In addition, Wisconsin established Youth Crisis Stabilization Facilities (Wisconsin Code DHS 50) in 2020. These are an allowable place of service for the Medicaid Crisis Intervention benefit. Regional Crisis Stabilization Facilities are located across the state.

## Section III. Demonstration Description

### A. Delivery System

All enrollees will continue to receive services through their current delivery system.

### B. Eligibility Requirements

All Wisconsin Medicaid enrollees eligible for a mandatory or optional eligibility group approved for full Medicaid coverage, except those listed below, and between the ages of 21 and 64, will be eligible for services under the waiver amendment, subject to medical necessity criteria.

Only the following eligibility groups will not be eligible for services under the waiver amendment, as these groups provide limited Medicaid benefits only.

- BadgerCare Plus Prenatal Program (42 CFR § 457.10)
- Emergency Services for Non-Qualifying Aliens (42 CFR § 435.139)
- Family Planning Only Services (42 CFR § 435.214)
- Qualified Disabled and Working Individual (QDWI) Program (1902(a)(10)(E)(ii) and 1905(s) of the Social Security Act)
- Qualified Medicare Beneficiary (QMB) Program (1902(a)(10)(E)(i) and 1905(p) of the Social Security Act)
- Qualifying Individual (QI) Program (1902(a)(10)(E)(iv) and 1905(p) of the Social Security Act)
- SeniorCare Prescription Drug Program (1115(a) of the Social Security Act)
- Specified Low-Income Medicare Beneficiary (SLMB) Program (1902(a)(10)(E)(iii) and 1905(p) of the Social Security Act)
- Temporary Enrollment for Pregnant Members (42 CFR § 435.1103(a) and 42 CFR § 435.1110)
- Tuberculosis-Related Medicaid (42 CFR § 435.215)

### C. Benefits Coverage

Currently, Wisconsin Medicaid members have access to a wide array of behavioral health services, including inpatient, residential treatment, partial hospitalization, intensive outpatient program, outpatient behavioral health, crisis stabilization, peer support, Medication-Assisted Treatment, and other services. Over the course of this demonstration, Wisconsin will maintain coverage for these services and seek to enhance these benefits by improving quality, access, and utilization.

In addition to maintaining and enhancing these services, Wisconsin will expand the settings eligible for reimbursement where clinically appropriate short-term stays for acute or residential psychiatric care can be provided through this demonstration, subject to medical necessity. Currently, Wisconsin provides coverage in IMDs for members under age 21 and over age 64. Under this waiver, Wisconsin would close this gap in coverage by reimbursing psychiatric services provided in a hospital IMD to members of all ages. Wisconsin would align coverage for elective urgent admissions as well as emergency admissions for this population to match the existing coverage policy for members under age 21 and over 64. Emergency admissions are involuntary civil commitments necessary to prevent death or serious impairment of the member's health. Medicaid routinely covers medically necessary services related to medical emergencies and should also cover medically necessary services related to mental health emergencies. Individuals residing in an IMD under operation of criminal law would not be eligible for this benefit. The addition of IMDs to the network of Medicaid behavioral health care providers will help ease some of the current access challenges and expand access to the full continuum of evidence-based care.

### D. Cost Sharing

The waiver amendment does not impose new cost-sharing requirements. Rather, those individuals determined eligible for Medicaid will be subject to the same nominal copayments and cost sharing as authorized under Wisconsin's Medicaid State Plan.

### E. Impact on Enrollment

This demonstration is not expected to impact enrollment because the waiver amendment will enable additional services to be provided.

### F. Payment Rates

Payment methodologies will be consistent with those approved in the Medicaid State Plan.

## Section IV. Impact on Expenditures/Financing and Budget Neutrality

Federal policy requires Section 1115 demonstration waivers to be budget neutral to the federal government. This means a demonstration should not cost the federal government more than what would have otherwise been spent absent the demonstration. Demonstration of federal budget neutrality for a Section 1115 demonstration application must follow a unique process from federal and state budgeting and health plan rate setting. The processes, methods, and calculations required to demonstrate federal budget neutrality appropriately are for that express purpose only. Therefore, the budget neutrality model should not be construed as a substitute for budgeting and rate setting or imply any guarantee of any specific payment.

To ensure budget neutrality for each federal fiscal year for this extension, Wisconsin uses a per member per month (PMPM) methodology specific to the applicable Medicaid eligibility group (MEG) for this waiver population. The MEG is defined as individuals ages 21 to 64 diagnosed with serious mental illness or serious emotional disturbance for short term stays for acute care treatment in psychiatric hospitals that qualify as IMDs. The PMPM calculation has been established in the context of current federal and state law, and with the appropriate analytically sound baselines and adjustments. The department will work with CMS on the final Budget Neutrality limits. CMS establishes the trend rates and amounts at approval. The outcome of these calculations can be found in Appendix F and the final budget neutrality limits will be posted upon CMS approval.

## Section V. Demonstration Hypothesis and Preliminary Evaluation Plan

This demonstration will test whether the expenditure authority granted under this demonstration, in addition to other current behavioral health delivery system enhancements, results in increased access to health care services and improved health outcomes for individuals with SMI or SED.

Wisconsin proposes the following preliminary evaluation plan which has been developed in alignment with CMS evaluation design guidance for SMI/SED 1115 waiver demonstrations. Upon approval of this waiver amendment application, the state will contract with an independent evaluator to conduct a rigorous and independent evaluation of the demonstration. Wisconsin will work with CMS and the evaluator to develop the design and methods. Evaluation design and reports will follow CMS guidelines.

The tables below present the preliminary evaluation plan based on CMS guidance. Goals and hypotheses are linked to evaluation questions and evaluation parameters and methodology.

Objective/Goal	Hypothesis	Evaluation Parameters/Methodology
<b>GOAL 1.</b> Reduced utilization and lengths of stay in emergency departments among Medicaid beneficiaries with SMI while awaiting mental health treatment in specialized settings.	<b>Hypothesis 1.</b> The demonstration will result in reductions in utilization of stays in emergency department among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment.	<b>Data Sources:</b> <ul style="list-style-type: none"> <li>• Claims data</li> <li>• Medical records or administrative records</li> <li>• Interviews or focus groups</li> </ul> <b>Analytic Approach:</b> <ul style="list-style-type: none"> <li>• Difference-in-differences model</li> <li>• Subgroup analyses</li> <li>• Descriptive quantitative analysis</li> <li>• Qualitative analysis</li> </ul>
<b>Evaluation Questions:</b> <ul style="list-style-type: none"> <li>• Does the demonstration result in reductions in utilization and lengths of stay in emergency departments among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings?</li> </ul>		



<ul style="list-style-type: none"> <li>How do the demonstration effects on reducing utilization and lengths of stay in emergency departments among Medicaid beneficiaries with SMI or SED vary by geographic area or beneficiary characteristics?</li> <li>How do demonstration activities contribute to reductions in utilization and lengths of stays in emergency departments among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings?</li> </ul>		
<b>GOAL 2.</b> Reduced preventable readmissions to acute care hospitals and residential settings.	<b>Hypothesis 2.</b> The demonstration will result in reductions in preventable readmissions to acute care hospitals and residential settings.	<b>Data Sources:</b> <ul style="list-style-type: none"> <li>Claims data</li> <li>Medical records</li> <li>Beneficiary survey</li> </ul> <b>Analytic Approach:</b> <ul style="list-style-type: none"> <li>Difference-in-differences model</li> <li>Qualitative analysis</li> <li>Descriptive quantitative analysis</li> </ul>
<b>Evaluation Questions:</b> <ul style="list-style-type: none"> <li>Does the demonstration result in reductions in preventable readmissions to acute care hospitals and residential settings?</li> <li>How do the demonstration effects on reducing preventable readmissions to acute care hospitals and residential settings vary by geographic area or beneficiary characteristics?</li> <li>How do demonstration activities contribute to reductions in preventable readmissions to acute care hospitals and residential settings?</li> <li>Does the demonstration result in increased screening and intervention for comorbid SUD and physical health conditions during acute care psychiatric inpatient and residential stays and increased treatment for such conditions after discharge?</li> </ul>		
<b>GOAL 3.</b> Improved availability of crisis stabilization services, including services made available through call centers and mobile crisis units; intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs; psychiatric hospitals; and residential treatment settings.	<b>Hypothesis 3.</b> The demonstration will result in improved availability of crisis stabilization services.	<b>Data Sources:</b> <ul style="list-style-type: none"> <li>Annual assessments of availability of mental health services</li> <li>Administrative data</li> <li>Provider survey</li> </ul> <b>Analytic Approach:</b> <ul style="list-style-type: none"> <li>Descriptive quantitative analysis</li> </ul>
<b>Evaluation Questions:</b> <ul style="list-style-type: none"> <li>To what extent does the demonstration result in improved availability of crisis outreach and response services?</li> <li>To what extent does the demonstration result in improved availability of intensive outpatient services and partial hospitalization?</li> <li>To what extent does the demonstration improve the availability of crisis stabilization services provided during acute short-term stays in each of the following: public and private psychiatric</li> </ul>		

hospitals, residential treatment facilities, general hospital psychiatric units, and community-based settings?		
<b>GOAL 4.</b> Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI, including through increased integration of primary and behavioral health care.	<b>Hypothesis 4.</b> Access of beneficiaries with SMI or SED to community-based services to address their chronic mental health care needs will improve under the demonstration, including through increased integration of primary and behavioral health care.	<b>Data Sources:</b> <ul style="list-style-type: none"> <li>• Claims data</li> <li>• Annual assessments of availability of mental health services</li> <li>• Administrative data</li> <li>• Medical records</li> </ul> <b>Analytic Approach:</b> <ul style="list-style-type: none"> <li>• Descriptive quantitative analysis</li> <li>• Chi squared analysis</li> <li>• Difference-in differences model</li> </ul>
<b>Evaluation Questions:</b> <ul style="list-style-type: none"> <li>• Does the demonstration result in improved access of beneficiaries with SMI or SED to community-based services to address their chronic mental health needs?</li> <li>• To what extent does the demonstration result in improved availability of community-based services needed to comprehensively address the chronic mental health needs of beneficiaries with SMI or SED?</li> <li>• To what extent does the demonstration result in improved access of SMI or SED beneficiaries to specific types of community-based services?</li> <li>• How do the demonstration effects on access to community-based services vary by geographic area or beneficiary characteristics?</li> </ul> <p>Does the integration of primary and behavioral health care to address the chronic mental health care needs of beneficiaries with SMI or SED improve under the demonstration?</p>		
<b>GOAL 5.</b> Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.	<b>Hypothesis 5.</b> The demonstration will result in improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.	<b>Data Sources:</b> <ul style="list-style-type: none"> <li>• Claims data</li> <li>• Medical records</li> <li>• Interviews or focus groups</li> <li>• Facility records</li> </ul> <b>Analytic Approach:</b> <ul style="list-style-type: none"> <li>• Difference-in-differences model</li> <li>• Descriptive quantitative analysis</li> <li>• Qualitative analysis</li> </ul>
<b>Evaluation Questions:</b> <ul style="list-style-type: none"> <li>• Does the demonstration result in improved care coordination for beneficiaries with SMI or SED?</li> <li>• Does the demonstration result in improved continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities?</li> </ul>		



- Does the demonstration result in improved discharge planning and outcomes regarding housing for beneficiaries transitioning out of acute psychiatric care in hospitals and residential treatment facilities?

How do demonstration activities contribute to improved continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities?

## Section VI. Waiver and Expenditure Authorities

Wisconsin requests expenditure authority under this Section 1115 Waiver amendment for otherwise covered services furnished to otherwise eligible individuals, ages 21 through 64, for short-term stays for acute care in a psychiatric hospital that qualifies as an IMD. No additional waivers of Title XIX or Title XXI are requested through this demonstration application. All other initiatives and proposed program enhancements will be implemented through other authorities outside of this Section 1115 Waiver.

## Section VII. Public Notice and Tribal Consultation

DHS has complied with the public notice requirements in 42 C.F.R. 431.408. The following describes the actions taken by DHS to ensure the public was informed and had the opportunity to provide meaningful input on the proposed waiver amendment.

### Public Notice

On September 30, 2024, DHS published the full public notice in the Wisconsin Administrative Register: [docs.legis.wisconsin.gov/code/register/2024](https://docs.legis.wisconsin.gov/code/register/2024).

On October 1, 2024, DHS also employed several other modes of communication to inform the public of the abbreviated notice:

- DHS SMI/SED waiver website
- Publicly posting at 1 W. Wilson Street (DHS Building)
- Emails to the ForwardHealth Community Partners listserv (9,882 recipients notified.) and ForwardHealth Providers listserv (52,432 recipients).

Copies of the abbreviated and full public notice are available in Appendix B.

The 31-day public comment period began on October 1, 2024, and ended on October 31, 2024.

### Website

DHS launched a public website on October 1, 2024, that includes the public notice, the public input process, scheduled public hearing, the draft waiver amendment application, and a link to the Medicaid.gov website on Section 1115 demonstrations.

The website address is [dhs.wi.gov/medicaid/waiver-smised.htm](https://dhs.wi.gov/medicaid/waiver-smised.htm). Additionally, DHS provided presentations in English, Spanish, and Hmong, which are posted on the website, to further provide the public with clarity on the proposed waiver amendment. The website will be updated as the waiver process moves forward.

## Public Hearing

As required by Section 1115 of the Social Security Act, DHS conducted a public hearing on October 9, 2024. CMS granted the state approval to conduct the hearing via a webinar instead of an in-person hearing. In addition to publicizing the hearing through the public notice, listservs, and DHS website, it was also posted on Wisconsin's Public Meeting Notices and Minutes website ([publicmeetings.wi.gov/view/4c8cd858-92f4-44c0-954a-aa5440b12bf1/1](https://publicmeetings.wi.gov/view/4c8cd858-92f4-44c0-954a-aa5440b12bf1/1)) on October 1, 2024.

WisconsinEye Public Affairs Network, a 501(c)(3) nonprofit organization dedicated to providing unfiltered broadcasting of Wisconsin governmental events, simulcast and archived the webinar on its website ([wiseye.org/2024/10/09/wisconsin-dhs-1115-waiver-amendment-public-hearing](https://wiseye.org/2024/10/09/wisconsin-dhs-1115-waiver-amendment-public-hearing)).

The public notice and the website announced the public could review the official waiver request and provide comments for a 31-day period through verbal statements made at the public hearing webinar or by submitting them through mail, email, and fax. Comments from the public hearing are included in the Summary of Public Comments subsection below. A copy of the meeting agenda and presentation is included in Appendix E. As mentioned earlier, the presentation is also available on DHS' SMI/SED waiver website in English and translated into the two next most prevalent languages among our members, Spanish and Hmong.

The public hearing began with an overview of the public comment period and the different modes of submitting comments (i.e., verbally, via mail, fax, or email). This was followed by a brief presentation of the waiver and finally a collection of proposed policies. The majority of the time was reserved for public comment. The hearing was recorded and transcribed for documentation of the comments. Individuals requiring special accommodations, including auxiliary communicative aids and services during these meetings were offered the opportunity to request such accommodations in advance of the meeting. None were requested but DHS chose to provide simultaneous American Sign Language (ASL) translation during the hearing. A recording of the hearing, including the ASL translator, was posted to the DHS SMI/SED waiver website.

## Tribal Consultation

Following 42 C.F.R. 431.408, DHS consulted with representatives of the federally recognized Tribes located in Wisconsin during the regularly scheduled Wisconsin DHS/Tribal Behavioral Health Directors Meeting and Wisconsin DHS/Tribal Health Directors Meeting. DHS met with the Tribal Behavioral Health Directors on September 4, 2024 from 11 a.m. to 12 p.m., and with the Tribal Health Directors on September 11, 2024 from 1:45 to 2:15 p.m. Both in-person and virtual attendees were present.

Notice was sent to Tribal government leadership on October 1, 2024. The meeting agendas, presentations, and Tribal notification letters are included in Appendix C. A comment summary is provided in the following Summary of Public Comments subsection below.

## Availability of Waiver Materials and Comment Mechanisms

The website and public notice state clearly that a copy of the waiver, including the final waiver application once complete, could be obtained from DHS at no charge by downloading the documents from [dhs.wi.gov/medicaid/waiver-smised.htm](https://dhs.wi.gov/medicaid/waiver-smised.htm) or by contacting DHS via mail, email or fax. The website and public notice further explained that public comments were welcome and were accepted for 31 days (from October 1 through October 31, 2024). Written comments on the changes could be sent via mail, email, or fax. This information was also stated during the public hearing and is provided in the

presentation. The presentation is available on DHS' SMI/SED waiver website in English and translated into the two next most prevalent languages among our members, Spanish and Hmong.

### Public Comment Availability

Following the public comment period, all written and oral comments were cataloged and organized. DHS reviewed all comments and appreciates the public input from Wisconsin residents and interested organizations. In total, DHS received 25 comments during the public comment period: 12 via email, five during a meeting with the Wisconsin County Human Services Association, four from the Medicaid Advisory Committee, and three during the public hearing. Twenty-three of the commenters were supportive of the waiver application. Eleven commenters raised questions and concerns. A summary of the comments and DHS's responses are provided below. As stated in public hearings and documents, DHS gave all comments received through the various mechanisms the same consideration.

The subsection that follows provides a summary of comments received from all comment mechanisms, and the response from DHS, where indicated. In the final subsection of Section 7, DHS provides an indication of any modifications that have been made to the waiver application as a result of the public comments.

### Summary of Public Comments

#### Summary of Supportive Comments

Comments in support of the waiver centered around the importance of this coverage to individuals struggling with mental illness and the current lack of accessibility for members ages 21 to 64 years old. Some commenters shared their own personal stories about receiving inpatient psychiatric care and the role it played in their stabilization and recovery. One individual noted the importance of screening for housing instability and referral to resources during discharge planning as the prevalence of mental illness and trauma are higher in the unhoused population.

The County Human Services Directors are very supportive of this waiver and offered any support necessary during the review and approval process. Multiple County Human Services Directors, including two of the larger providers, the Milwaukee Behavioral Health Division and the Winnebago Mental Health Institute, indicated maintaining a statewide average length of stay of 30 days or less should be achievable. While there are always outliers, the average length of stay in these two facilities is about 15 days or less.

The Medicaid Advisory Committee thanked DHS for the time and energy being put into addressing this gap in coverage. Long-term, they remarked, the federal financial participation will free up tax levy for the counties to invest in community-based services.

#### Summary of Questions and Concerns

##### **Theme 1: Will this waiver shift focus and resources away from community-based services?**

Disability Rights Wisconsin commented that Wisconsin's proposed IMD waiver threatens to reverse the gains Wisconsin has made to provide a robust system of community-based mental health services. They recommend DHS focus on strengthening and expanding community-based mental health services and addressing root causes that exacerbate the crises people with mental illness face. They recommend that

a better use of resources would be to support community-based treatment efforts such as expansion of the Wisconsin Community Supports Program (CSP) to include the full spectrum of services called for by the evidenced-based, Wisconsin-developed Assertive Community Treatment Program and statewide access to the full array of Comprehensive Community Services (CCS) and Children's Long Term Supports (CLTS) services without a waiting list, and Individual Placement and Supports (IPS). The Board for People with Developmental Disabilities (BPDD) noted their concern that DHS is making investments in the institutional side of Medicaid spending without comparable investments and expansion of home and community-based service (HCBS) capacity. They feel that community based mental health service capacity continues to be limited, and insufficient to fulfill demand.

**DHS Response:** The Wisconsin Department of Health Services submits this waiver in response to 2023 Wisconsin Act 177, which directs the department to submit any waiver necessary to provide Medical Assistance coverage of services provided in an institution for mental disease to persons ages 21 to 64 years old to the Centers for Medicare & Medicaid Services by no later than January 1, 2025. In Wisconsin, counties have the primary responsibility for "the well-being, treatment and care of the mentally ill, developmentally disabled, alcoholic and other drug dependent citizens residing within its county" (Chapter 51.42(1)(b) of the Wisconsin state statutes). This waiver does not create a new benefit but rather provides some financial relief for counties that are already paying for these services. Under this waiver, counties would have access to federal financial participation (currently 60.66% for FY 2024) to pay for services provided to Medicaid members. Savings realized through this waiver could be reinvested in other services, including community-based mental health crises prevention and recovery services. This waiver would have no financial impact on the state budget and as such, will not divert funds from community-based treatment programs such as those noted in the comments: CSP, CCS, CLTS, or IPS.

This means that Wisconsin can continue its investment in home and community-based services without compromise. In the past ten years, Wisconsin has seen a rapid expansion of psychosocial rehabilitation programs funded by Medicaid. The best example of this is the Comprehensive Community Services (CCS) program. CCS is a program that helps people of all ages live their best lives by focusing on unique needs related to mental health and substance use. CCS includes services that support self-management of physical health and social health, and meeting basic needs such as housing, education, and work. In July 2014, the state began covering the non-federal portion of the CCS program. This ultimately enabled the CCS program to substantially drive member participation and increase financial resources. Member enrollment and participation in the CCS program has surged since its implementation from 2,047 members in 2014 to 13,953 in 2021 (most recent year of data).

**Theme 2: Will the waiver create financial incentives to institutionalize people without corresponding incentives or controls to ensure their return to community-based services?**

The Board for People with Developmental Disabilities (BPDD) raised concerns that the waiver would create conditions where long-term care managed care plans and providers would have a mechanism to remove difficult or high-need individuals from services or programs without any responsibility to the participant to help them transition back to the community. Because in Wisconsin, the counties are responsible for providing behavioral health services to their residents, BPDD is concerned that the waiver would remove the financial incentive for the counties to act as advocates to return members enrolled in long-term care programs back to their communities. BPDD has similar concerns about children in Medicaid programs, including county run programs CLTS and CCS, being subjected to longer term institutional stays unnecessarily and facing barriers to returning to the community.

BPDD offered the following policy recommendations to address these concerns.

1. Penalize MCOs, IRIS Consulting Agencies (ICAs), and county human services agencies for delayed discharges. In the event a home and community-based services (HCBS) long term care participant is disenrolled from Family Care, we recommend weighting the IMD case management services to focus on return to community with requirements to work directly with MCOs, ICAs, and counties, and suggest including provisions in the MCO, ICA, or county contracts or MOUs that outline a claw back provision that assesses a penalty—based on a sliding scale that increases the penalty the longer the length of the stay in the IMD or Developmental Disability Center (DDC) intensive treatment program (ITP) bed—for former participants who have transitioned from acute inpatient stays to long term IMD or DDC ITP bed admissions.
2. Reimburse Case Management Transition Planning.
  - a. Require case management services under the early and periodic screening, diagnostic, and treatment (EPSDT) benefit to be utilized as a funding source to transition all children in Medicaid programs who have been placed in IMDs back to the community.
  - b. Create a Medicaid rate modifier or unique service code that reimburses for the extra time and skill it takes to serve people with IDD-MH needs.
3. Create Long-Term Care Crisis Billing Codes. BPDD notes the recent Wisconsin (IDD-MH) System Improvement Report ([dhs.wi.gov/dms/imsi-report.pdf](https://dhs.wi.gov/dms/imsi-report.pdf), page 42) includes a recommendation to create service definitions and billing codes for crisis prevention and response services that would apply to the long-term care programs.

BPDD is also concerned that people with intellectual and developmental disabilities (IDD) held in IMDs will be transferred to developmental disability centers ITP beds based on clinical opinion and will not have a clear path back to the community. This concern was also raised by a community member who was concerned that individuals with dual diagnoses could lead to institutionalization at the Northern Wisconsin Center or Southern Wisconsin Center. These are two of three state-run centers that provide treatment to individuals with intellectual and developmental disabilities and mental illness.

**DHS Response:** To qualify for this waiver, CMS requires the use of a utilization review entity to ensure beneficiaries have access to the appropriate levels and types of care and to provide oversight to ensure lengths of stay are limited to what is medically necessary and only those who have a clinical need to receive treatment in psychiatric hospitals and residential treatment settings are receiving treatment in those facilities. Wisconsin intends to meet this requirement to ensure referrals to IMDs are appropriate. In Wisconsin, we propose to extend the certificate of need (CON) requirements, which are used to document and verify medical necessity for children under 21 to receive mental health services in an IMD, to the 21- to 64-year-old population covered in this waiver. Wisconsin will also use the same external quality review organization vendor to perform oversight reviews of the CONs for both populations.

Regarding concerns about lengthy IMD stays for members in long term care, the current average length of stay (ALOS) in IMDs for these members is 9 days. This waiver would not create an open-ended reimbursement mechanism that would disincentivize county human services agencies from acting as advocates to limit the length of IMD stays and return members enrolled in long-term care programs back to their communities. It would allow counties to access federal financial participation (FFP, currently 60.66% for FY 2024) to pay for short-term stays in an IMD.

In response to **BPDD's suggestion #1**, DHS has current contract requirements and processes that require the MCO, counties, and providers to collaborate to ensure individuals are discharged to the community as soon as possible. In addition, the MCO contract allows the Medicaid program to impose sanctions on MCOs if they are not following the contract requirements.

In response to **BPDD's suggestion #2a**, this waiver would expand coverage to the 21- to 64-year-old age group. The EPSDT benefit covers kids up to age 21. Creating a requirement for case management services under EPSDT to include transitioning all children in Medicaid from IMDs back to the community is not relevant to this waiver. However, children under 21 who receive mental health services in an IMD are already covered under an existing benefit and this suggestion will be considered, outside of the waiver application, for that population.

In response to **BPDD's suggestion #2b**, the recommendation to add a rate modifier or unique service code that reimburses for the extra time and skill it takes to serve people with IDD-MH needs is already being considered outside of this waiver. This is Recommendation 3.2 in the Wisconsin (IDD-MH) System Improvement Report ([dhs.wi.gov/dms/imsi-report.pdf](https://dhs.wi.gov/dms/imsi-report.pdf)) and will be considered in the implementation phase of the IDD-MH System Improvement project ([dhs.wi.gov/dms/imsi.htm](https://dhs.wi.gov/dms/imsi.htm)) set to begin this winter.

In response to **BPDD's suggestion #3**, the recommendation to create service definitions and billing codes for crisis prevention and response services that would apply to the long-term care programs is already being considered outside of this waiver. This is recommendation 3.1 in the Wisconsin IDD-MH System Improvement Report ([dhs.wi.gov/dms/imsi-report.pdf](https://dhs.wi.gov/dms/imsi-report.pdf)) and will also be considered in the implementation phase.

Finally, in response to concerns about members with intellectual or developmental disabilities being transferred to an ITP with no clear path back to the community, even though a long-term care MCO must disenroll the member upon admission to an IMD, DHS requires the MCOs to work with the IMD, county human services agency, member and provider to coordinate discharge back into the community. Usually, the member can go back to their home or residential placement with the same services. If the member cannot return to their previous residence, then the MCO, County, IMD, family and member work together to find a new placement and coordinate services.

### **Theme 3: Questions around discharge planning for long-term care program members.**

During the public hearing, a county human services director noted that when a member who receives long-term care services through a managed care organization (MCO) is enrolled in an IMD, they would be immediately disenrolled from their MCO. They requested that DHS clarify the roles and responsibilities for the MCO, county human services agency, and IMD regarding discharge planning and reintegration into the community and whether these services would be billable. In their written statement, Disability Rights Wisconsin indicated their concern that a patient may be ready for discharge but remain in an IMD longer than necessary due to delay in identifying and arranging the robust supports and services, especially for individuals who require a residential placement such as a small group home. And the Wisconsin Hospital Association encouraged DHS to consider whether the responsibility for new linkages and coordination follow up services is an appropriate role for the hospital IMD or whether that would create confusion, duplication and fragmentation of post-hospitalization follow up and linkage services that are currently built to be provided, in a coordinated manner, by counties under Chapter DHS 34 of the Wisconsin administrative code which regulates emergency mental health service programs.

**DHS Response:** The process for discharge planning will remain the same. The county, MCO and IMD should work collaboratively on developing a discharge plan for the member. Service reimbursement is based on service type and the policies around it.

Hospital IMDs will be expected to meet existing discharge planning requirements under 42 CFR § 482.43 which states that a condition of participation for hospitals is that they must have an effective discharge planning process.

There would be no change to DHS 34 linkage and care coordination services policies under this waiver.

**Theme 4: Will the waiver require changes to the chapter of the administrative code that pertains to hospitals?**

The Wisconsin Hospital Association asked whether the waiver application makes reimbursement under the Medicaid Fee-for-Service program for 21- to 64-year-olds in hospital IMDs contingent on hospital IMDs that are currently certified by Medicaid under DHS 105.21 meeting additional requirements that are not currently required to serve those existing populations?

The Wisconsin Hospital Association also asked whether the waiver application makes Medicaid reimbursement to hospital IMDs for currently reimbursable Medicaid services provided to Medicaid enrollees in Medicaid managed care or Medicaid Fee-for-Service enrollees under age 21 or older than 64 years of age contingent on hospital IMDs currently certified by Medicaid under DHS 105.21 – Hospital IMDs – meeting additional requirements that are not currently required to serve those existing populations?

**DHS Response:** This waiver application does not propose any changes to Chapter 105.21 of the state statutes. Nor does this waiver application propose any changes to existing policies and requirements for IMD services for individuals under the age of 21 or over age 64.

**Theme 5: Requests to include other places of service in the waiver coverage.**

The director of a county nursing facility – IMD located in a rural area of Wisconsin requested clarification on whether nursing facility IMDs (NF-IMDs) would qualify for reimbursement under this waiver, and if so, what would be the impact to NF-IMDs that are only state certified and not federally certified. The director noted that their 112-bed facility voluntarily relinquished its federal nursing facility certification because, in practice, they were functioning exclusively as an IMD and some of the restraints (e.g., locked closets, removal of ligature risks) were in conflict with federal requirements. This decision was made because the facility is a critical access point in the region. The director wanted to make sure that nothing in the waiver would jeopardize their operation and get clarification on whether their facility would qualify for Medicaid reimbursement.

Ascension Wisconsin requested that DHS amend the draft waiver to request expenditure authority for covered services during short-term stays for acute care in any facility that qualifies as an IMD provided such facility can adhere to all other requirements and is not expressly excluded from federal financial participation (i.e., nursing homes) as outlined within SMD Letter #18-011.



**DHS Response:** The CMS State Medicaid Director Memo 18-011, which provides guidance related to this waiver states, “...FFP will not be available through these demonstrations for services provided in nursing homes that qualify as IMDs as CMS understands that nursing homes do not specialize in providing mental health treatment and may not have staff with appropriate credentials and training to provide good quality treatment to individuals with SMI or SED.” While DHS is not making a judgement about the capability of this particular facility to provide quality mental health care, it is important to note that the state administrative codes that regulate nursing facility IMDs (per [DHS 105.8](#) and [DHS 132](#)) do not include requirements specific to mental and behavioral health care. As such, the regulatory framework is insufficient to provide the level of assurance and oversight required by CMS under this waiver.

With regard to Ascension’s request to cover any facility that qualifies as an IMD, similar to nursing facility IMDs, there aren’t regulatory requirements for other types of residential IMD facilities sufficient to meet CMS requirements under this waiver. Additionally, in order to include any facility that qualifies as an IMD in the waiver, Wisconsin Medicaid would have to establish the facility as a new provider type, develop a certification process, create a new benefit policy and rates, and update Wisconsin’s administrative code. None of this could happen within the timeframe imposed by the authorizing legislation. Hospitals are well regulated and have strong certification requirements. They are an existing provider type and have an established benefit. Hospital IMDs already meet the CMS criteria and are a good match for the goals and requirements under this waiver.

Additionally, many of the comments we received during the public comment period are from partners concerned about overuse of institutionalized care, advocating instead for more focus on community-based care.

#### **Standalone Comment 1: Will involuntary commitments be covered?**

The Wisconsin County Human Services Association requested clarification on whether the coverage policy would include involuntary commitments. They broke this down into three populations: individuals involuntarily committed because they are a danger to themselves or others, individuals being treated to gain competency to stand trial, and individuals residing in an IMD as a result of a criminal conviction.

**DHS Response:** Under this waiver, Wisconsin would align coverage for all medically necessary inpatient admissions, including elective urgent admissions as well as emergency admissions, to match the existing coverage policy for members under age 21 and over 64. Emergency admissions are involuntary civil commitments necessary to prevent death or serious impairment of the member's health. Medicaid routinely covers medically necessary services related to medical emergencies and also intends to cover medically necessary services related to mental health emergencies as well. Individuals residing in an IMD under operation of criminal law would not be eligible for this benefit. This includes individuals being treated to gain competency to stand trial. This is in alignment with the guidance in the State Medicaid Director Memo #18-011 which states, “In addition, FFP will not be available through these demonstrations for services in a psychiatric hospital or residential treatment facility for inmates who are involuntarily residing in the facility by operation of criminal law.”

#### **Standalone Comment 2: Concerns about disruption to continuity of care for long-term care members**

The Board for People with Developmental Disabilities (BDPP) raised concerns that individuals enrolled in long-term care programs that were admitted to an IMD would be separated from the managed care



organization and potentially not be able to return to their same long-term care service providers or care team. They offered the following policy recommendations.

1. Maintain enrollment in long-term care managed care programs (Family Care, and IRIS) for up to 90 days after admission to an IMD.
2. Make retainer payments to service providers for up to 90 days after admission to an IMD.

**DHS Response:**

Members enrolled in Family Care Partnership who are 21 to 64 years old and admitted to an IMD as an in lieu of service or alternate service are not disenrolled from their MCO. Members admitted to an IMD through other circumstances are disenrolled from their MCO. However, DHS's contract with Family Care and Family Care Partnership MCOs requires those MCOs to establish a memorandum of understanding (MOU) with all counties within their service areas addressing expectations for discharge planning when the member, someone who was a member prior to losing eligibility due to institutional status, or someone who is eligible to enroll upon discharge, is currently a resident of an IMD. The purpose of this discharge planning is to return the individual to the most integrated setting appropriate to the individual's needs. The MOU will also state that as part of the discharge planning, a crisis plan will be established for each member designed to help the member remain in the member's community. This plan will be developed in collaboration between the MCO, County crisis programs, providers, and other stakeholders.

**Standalone Comment 3: The need for technical assistance for billing**

A member of the Medicaid Advisory Committee noted that there could be issues where the member's health plan is not billed for services and instead the member is billed. They noted that this can happen with established benefits and wanted to know what steps DHS will take to prevent this as we roll out a new benefit.

**DHS Response:** There are a number of supports available to providers to ensure proper billing. They include mechanisms for sharing information with providers, such as email listservs, ForwardHealth Provider Policy Updates, and partnerships with organizations like the Wisconsin Hospital Association. Coverage and billing policies will be updated in the ForwardHealth Provider Handbook. ForwardHealth Provider Services will be trained on the new policies and available to providers for technical assistance on billing policies. In addition to support for providers, part of our process for rolling out new coverage policy includes engagement with acute and primary care managed care plans and long-term care managed care plans to clarify how coverage will be implemented, and to ensure that they are prepared to provide coverage that falls within their purview.

**Standalone Comment 4: Medicaid managed care quality strategy**

BPDD notes the Medicaid Managed Care Quality Strategy includes performance measures that seek to drive down admissions to IMDs of Family Care members. BPDD recommends strengthening the objectives to require increasing community based mental health service and crisis response provider capacity by 10% over the next three years and increase community based mental health service utilization by Family Care members by 5% over the next three years. We also recommend strengthening the existing metric that seeks to reduce the number of IMD admissions of Family Care members to quantify the number of Family Care members admitted to IMDs or DD Centers ITP beds at any point in a calendar year, and the amount of time from time of admission to return to community.

**DHS Response:** These recommendations were also received through the Medicaid Managed Care Quality Strategy public comment process. They will be considered and addressed through that project.

### Tribal Government Comment Summary

On September 4, 2024, DHS met with Wisconsin's Tribal Behavioral Health Directors to discuss the SMI or SED waiver application. DHS presented the history of the IMD exclusion, Wisconsin's current coverage of services provided in an IMD, and the policies that would be implemented upon approval of the waiver. The Tribal Behavioral Health Directors were broadly supportive of the proposed changes under the waiver. They did not have additional comments, questions, or concerns.

On September 11, 2024, DHS met with Wisconsin's Tribal Health Directors to discuss the SMI or SED waiver application. DHS presented the history of the IMD exclusion, Wisconsin's current coverage of services provided in an IMD, and the policies that would be implemented upon approval of the waiver. The Tribal Health Directors were also broadly supportive of the proposed changes under the waiver. However, they did raise a concern about room and board costs, particularly because many patients with SMI are also experiencing homelessness. This was raised with significant emphasis, and they requested DHS consider alternative funding options if we cannot get to an approval for these expenses from CMS.

### Consideration of Public Comments in Final Waiver

DHS appreciates the public's input on the Section 1115 waiver. Based on the comments received, both written and those given through oral testimony, DHS does not propose making any changes to the waiver application.

While DHS does not intend to make any changes to this waiver, it is important to note that four of the comments received are being considered outside of the waiver.

1. The recommendation to create a requirement for case management services under EPSDT to include transitioning all children in Medicaid from IMDs back to the community will be considered outside of the waiver application.
2. The recommendation to add a rate modifier or unique service code that reimburses for the extra time and skill it takes to serve people with IDD-MH needs is already being considered in the Wisconsin IDD-MH System Improvement Report ([dhs.wi.gov/dms/imsi-report.pdf](https://dhs.wi.gov/dms/imsi-report.pdf)) and will be considered in the next phase of the IDD-MH System Improvement project ([dhs.wi.gov/dms/imsi.htm](https://dhs.wi.gov/dms/imsi.htm)) set to begin this winter.
3. The recommendation to create service definitions and billing codes for crisis prevention and response services that would apply to the long-term care programs is also already being considered in the Wisconsin IDD-MH System Improvement Report ([dhs.wi.gov/dms/imsi-report.pdf](https://dhs.wi.gov/dms/imsi-report.pdf)) and will be considered in the next phase of the IDD-MH System Improvement project ([dhs.wi.gov/dms/imsi.htm](https://dhs.wi.gov/dms/imsi.htm)) set to begin this winter.
4. The recommendation to amend the managed care quality strategy by strengthening the objectives to require increasing community based mental health service and crisis response provider capacity by 10% over the next three years and increase community based mental health service utilization by Family Care members by 5% over the next three years, quantify the number of Family Care members admitted to IMDs or DD Centers intensive treatment program beds at any point in a calendar year, and the amount of time from time of admission to return to

community have also been received through the managed care strategy public comment period and are being considered through that project.

## Appendix A. Acronyms

Acronym	Definition
ALOS	Average length of stay
BPDD	Board for People with Developmental Disabilities
CCS	Comprehensive Community Services
CLTS	Children's Long-Term Care Supports
CMS	Center for Medicare & Medicaid Services
CON	Certificate of need
CSP	Community Support Program
DCTS	Division of Care and Treatment Services (Wisconsin Department of Health Services)
DDC	Developmental Disability Center
DHS	Wisconsin Department of Health Services
DQA	Division of Quality Assurance (Wisconsin Department of Health Services)
ED	Emergency department
EPSDT	Early and Periodic Screening, Diagnostic, and Treatment Program
EQRO	External quality review organization
FFS	Fee-for-service
FQHC	Federally Qualified Health Center
HCBS	Home and community based services
ICA	IRIS Consulting Agency
IDD	Intellectual and developmental disabilities
IDD-MH	Intellectual and developmental disabilities and mental health
IMD	Institution for mental diseases
IPS	Individual Placement and Supports
IRIS	Include, Respect, I Self-Direct
ITP	Intensive treatment program
MCO	Managed care organization
Medicare CoP	Medicare Conditions of Participation
MEG	Medicaid eligibility group
MOU	Memorandum of understanding
NF-IMD	Nursing facility IMD
PMPM	Per member per month
SED	Serious emotional disturbance
SMI	Serious mental illness
SUD	Substance use disorder
WHA	Wisconsin Hospital Association
WISHIN	Wisconsin State Health Information Network (State-Designated Health Information Exchange)

## Appendix B. Public Notice

### Full Public Notice

**Wisconsin Department of Health Services  
Section 1115 BadgerCare Waiver  
Serious Mental Illness and Serious Emotional Disturbance Amendment**

#### **I. Overview**

Under federal law, the State of Wisconsin Department of Health Services (DHS) must notify the public of its intent to submit to the Centers for Medicare and Medicaid Services (CMS) any new 1115 demonstration waiver project, extension, or amendment of any previously approved demonstration waiver project, or ending of any previously approved expiring demonstration waiver project, and must provide an appropriate public comment period before submitting to CMS the new, extended, or amended 1115 demonstration waiver application.

This notice serves to meet these federal requirements and to notify the public that, as required by 2023 Act 177, the State of Wisconsin intends to submit an application to CMS by January 1, 2025, requesting an amendment to the BadgerCare Waiver that would extend coverage for services provided to Medicaid members ages 21-64 during short-term stays in an institution for mental diseases (IMD) primarily to treat serious mental illness (SMI) or serious emotional disturbance (SED). DHS intends to implement the demonstration statewide as soon as possible after CMS approval. You can review the official waiver amendment request and provide comments for the next 31 days (see below), as well as provide written or verbal statements at the required public hearing.

DHS will hold a virtual public hearing on October 9, 2024, from 10:30 – 11:30 a.m.

Join online through Zoom at [dhs.wi.zoomgov.com/j/1616731692](https://dhs.wi.zoomgov.com/j/1616731692)

Or join by phone:

Dial: US: +1 669 254 5252 or +1 646 828 7666 or +1 551 285 1373 or +1 669 216 1590

Webinar ID: 161 673 1692

Comments will be considered to determine if changes should be made to the waiver amendment request but will not impact proposed or enacted state and federal law. In addition, all public comments will be communicated to the federal Department of Health and Human Services (HHS) as part of the final waiver amendment application.

#### **Accessibility**

##### **English**

DHS is an equal opportunity employer and service provider. If you need accommodations because of a disability, need an interpreter or translator, or need this material in another language or an alternate format, you may request assistance to participate by contacting Nicholas Di Meo at (414)209-2061. You must make your request at least 7 days before the activity.

##### **Spanish**

DHS es una agencia que ofrece igualdad en las oportunidades de empleo y servicios. Si necesita algún tipo de acomodaciones debido a incapacidad o si necesita un interprete, traductor o esta información en su propio idioma o en un formato alterno, usted puede pedir asistencia para participar en los programas comunicándose con Nicholas Di Meo at (414)209-2061. Debe someter su petición por lo menos 7 días de antes de la actividad.

### **Hmong**

DHS yog ib tus tswv hauj lwm thiab yog ib qhov chaw pab cuam uas muab vaj huam sib luag rau sawv daws. Yog koj xav tau kev pab vim muaj mob xiam oob qhab los yog xav tau ib tus neeg pab txhais lus los yog txhais ntaub ntawv, los yog koj xav tau cov ntaub ntawv no ua lwm hom lus los yog lwm hom ntawv, koj yuav tau thov kev pab uas yog hu rau Nicholas Di Meo at (414)209-2061. Koj yuav tsum thov qhov kev pab yam tsawg kawg 7 hnuv ua ntej qhov hauj lwm ntawd.

## **II. Background**

Through this waiver amendment, the Wisconsin Department of Health Services (DHS) seeks to expand the current authority to reimburse for acute inpatient stays in institutions for mental diseases (IMDs) to include Medicaid-enrolled adults, age 21-64, diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED).

## **III. Project Goals**

The goals of this project are to ensure a comprehensive continuum of behavioral health services, including:

- Reduced utilization and lengths of stay in EDs among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings;
- Reduced preventable readmissions to acute care hospitals and residential settings;
- Improved availability of crisis stabilization services including services made available through call centers and mobile crisis units, intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings throughout the state;
- Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI or SED including through increased integration of primary and behavioral health care; and
- Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.

## **IV. Project Description**

**Current Program:** Wisconsin Medicaid members have access to a wide array of behavioral health services, including inpatient, residential treatment, partial hospitalization, intensive outpatient program, outpatient behavioral health, crisis stabilization, peer support, Medication-Assisted Treatment, and other services. Wisconsin provides coverage for medically necessary services provided in an IMD for members younger than 21 and older than 64 years old. Over the course of this demonstration, Wisconsin will maintain coverage for these services and seek to enhance these benefits by improving quality, access, and utilization.

**Waiver Proposal:** In addition to maintaining and enhancing these services, through this demonstration, Wisconsin will continue to strengthen the continuum of care by providing coverage for short-term stays in hospital-based IMDs primarily to treat serious mental illness and serious emotional disturbance for Medicaid members ages 21 to 64 years of age, subject to medical necessity. Wisconsin intends to align coverage for elective urgent admissions as well as emergency admissions for this population to match the existing coverage for members under age 21 and over 64. Emergency admissions are involuntary civil commitments necessary to prevent death or serious impairment of the member's health. Individuals residing in an IMD under operation of criminal law would not be eligible for this benefit. The addition of hospital IMDs to the network of Medicaid behavioral health care providers will help ease some of the current access challenges and expand access to the full continuum of evidence-based care.

#### **V. Demonstration Population, Eligibility, and Enrollment**

All Wisconsin Medicaid enrollees eligible for a mandatory or optional eligibility group approved for full Medicaid coverage, except those listed below, and between the ages of 21 and 64, will be eligible for services under the waiver, subject to medical necessity criteria.

Only the following eligibility groups will not be eligible for services under the waiver as these groups provide limited Medicaid benefits only.

- Emergency Services for Non-Qualifying Aliens (42 CFR § 435.139)
- Qualified Medicare Beneficiary (QMB) Program (1902(a)(10)(E)(i) and 1905(p) of the Social Security Act)
- Specified Low-Income Medicare Beneficiary (SLMB) Program (1902(a)(10)(E)(iii) and 1905(p) of the Social Security Act)
- Qualifying Individual (QI) Program (1902(a)(10)(E)(iv) and 1905(p) of the Social Security Act)
- Qualified Disabled and Working Individual (QDWI) Program (1902(a)(10)(E)(ii) and 1905(s) of the Social Security Act)
- Tuberculosis-Related Medicaid (42 CFR § 435.215)
- Temporary Enrollment for Pregnant Members (42 CFR § 435.1103(a) and 42 CFR § 435.1110)
- BadgerCare Plus Prenatal Program (42 CFR § 457.10)
- SeniorCare Prescription Drug Program (1115(a) of the Social Security Act)
- Family Planning Only Services (42 CFR § 435.214)

This demonstration will have no impact on eligibility and enrollment determinations.

#### **VI. Delivery System and Payment Rates for Services**

All enrollees will continue to receive services through their current delivery system. Payment methodologies will be consistent with those approved in the Medicaid State Plan. The demonstration does not impose new cost-sharing requirements. Rather, those individuals determined eligible for Medicaid will be subject to the same nominal copayments and cost sharing as authorized under Wisconsin's Medicaid State Plan.

#### **VII. Implementation**

DHS is submitting this demonstration to CMS as an amendment to the existing BadgerCare Waiver. If approved, that would align the demonstration period for this amendment with that of the larger waiver. DHS intends to begin implementation of this demonstration as soon as possible after CMS approval.

## **VIII. Budget and Cost-Effectiveness Analysis**

Federal policy requires Section 1115 demonstration waivers to be budget neutral to the federal government. This means that a demonstration should not cost the federal government more than what would have otherwise been spent absent the demonstration. Demonstration of federal budget neutrality for a Section 1115 demonstration application must follow a unique process from federal and state budgeting and health plan rate setting. To ensure budget neutrality for each federal fiscal year for this extension, Wisconsin uses a per-member-per month (PMPM) based methodology specific to the applicable Medicaid eligibility group (MEG) for this waiver population. The MEG is defined as individuals, ages 21 through 64, diagnosed with serious mental illness or serious emotional disturbance for short term stays for acute care treatment in psychiatric hospitals that qualify as IMDs. The PMPM calculation has been established in the context of current federal and state law, and with the appropriate analytically sound baselines and adjustments. The Department is currently working with CMS on the final budget neutrality limits. The outcome of these calculations will be shared as an appendix with the CMS application and the final budget neutrality limits will be posted at approval.

## **IX. Evaluation Design**

This demonstration will test whether the expenditure authority granted under this demonstration, in addition to other current behavioral health delivery system enhancements results in increased access to health care services and improved health outcomes for individuals with SMI or SED. DHS has developed a high-level preliminary evaluation plan which has been developed in alignment with CMS evaluation design guidance for SMI/SED 1115 waiver demonstrations. Upon CMS approval of this waiver application, the State will contract with an independent evaluator to conduct a rigorous and independent evaluation of the demonstration.

The first goal of the waiver amendment is reduced utilization and lengths of stay in emergency departments among Medicaid members with SMI or SED while awaiting mental health treatment in specialized settings. The hypothesis is that the demonstration will result in reductions in utilization of stays in emergency department among Medicaid members with SMI or SED while awaiting mental health treatment. Potential metric: All-Cause Emergency Department Utilization Rate for Medicaid Beneficiaries who may Benefit from Integrated Physical and Behavioral Health Care.

The second goal of the waiver amendment is reduced preventable readmissions to acute care hospitals and residential settings. The hypothesis is that the demonstration will result in reductions in preventable readmissions to acute care hospitals and residential settings. Potential metric: 30-Day All-Cause Unplanned Readmission Following Psychiatric Hospitalization in an Inpatient Psychiatric Facility.

The third goal of the waiver amendment is improved availability of crisis stabilization services, including services made available through call centers and mobile crisis units; intensive outpatient services, as well as services provided during acute short-term stays in residential crisis stabilization programs; psychiatric hospitals; and residential treatment settings throughout the state. The hypothesis is that the demonstration will result in improved availability of crisis stabilization services throughout the state. Potential metric: For each geographic region, the ratio of Medicaid beneficiaries with SMI or SED to the number of mobile crisis units, crisis observation/assessment centers, and coordinated community crisis response teams.



The fourth goal of the waiver amendment is improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI, including through increased integration of primary and behavioral health care. The hypothesis is that access of beneficiaries with SMI or SED to community-based services to address their chronic mental health care needs will improve under the demonstration, including through increased integration of primary and behavioral health care. Potential metric: Number and percentage of Medicare fee-for-service or Medicaid providers providing behavioral health integration services.

The fifth goal of the waiver amendment is improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities. The hypothesis is the demonstration will result in improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities. Potential metric: Medication continuation following inpatient psychiatric discharge.

A detailed evaluation design will be developed for review and approval by CMS. The evaluator will use relevant data from the BadgerCare Plus and Medicaid for the Elderly, Blind and Disabled programs. This may include eligibility, enrollment, claims, payment, encounter/utilization, chart reviews, and other administrative data. The evaluator may also conduct surveys and focus groups of beneficiaries and providers and other original data collection, as appropriate.

Both interim and final evaluations will be conducted to help inform the state, CMS, partners, and the general public about the performance of the demonstration. All evaluation reports will be made public and posted on the DHS website.

#### **X. Specific Waiver and Expenditure Authorities**

Wisconsin requests expenditure authority under this Section 1115 Waiver for otherwise covered services furnished to otherwise eligible individuals, ages 21 through 64, for short-term stays for acute care in a psychiatric hospital that qualifies as an IMD. No additional waivers of Title XIX or Title XXI are requested through this demonstration application. All other initiatives and proposed program enhancements will be implemented through other authorities outside of this Section 1115 Waiver.

#### **XI. Copies of Demonstration Project Waiver Amendment Documents**

Copies of waiver documents, including the full public notice (to be posted on October 1, 2024), and the final waiver application, once complete, may be obtained from DHS at no charge by downloading the documents at [dhs.wi.gov/medicaid/waiver-smised.htm](https://dhs.wi.gov/medicaid/waiver-smised.htm) or by contacting Nicholas Di Meo at:

Mail: Nicholas Di Meo  
Waukesha State Office Building  
Department of Health Services, Division of Medicaid Services  
141 NW Barstow St. Rm 126  
Waukesha, WI 53188

Phone: 414-209-2061  
Fax: 262-521-5106, Attn: Nicholas Di Meo  
Email: [DHSMedicaidSMISED@dhs.wisconsin.gov](mailto:DHSMedicaidSMISED@dhs.wisconsin.gov)

## **XII. Written Comments**

Written comments on the proposed changes are welcome and will be accepted from October 1, 2024, through October 31, 2024. Written comments may be sent to:

Mail: Nicholas Di Meo  
Waukesha State Office Building  
Department of Health Services, Division of Medicaid Services  
141 NW Barstow St. Rm 126  
Waukesha, WI 53188

Phone: 414-209-2061  
Fax: 262-521-5106, Attn: Nicholas Di Meo  
Email: DHSMedicaidSMISED@dhs.wisconsin.gov

## **Abbreviated Public Notice**

### **Wisconsin Department of Health Services Section 1115 BadgerCare Waiver Serious Mental Illness and Severe Emotional Disturbance Amendment**

#### **Overview**

The Department of Health Services (DHS) intends to submit an application to the Centers for Medicare and Medicaid Services (CMS) by January 1, 2025, requesting an amendment to the BadgerCare Waiver that would extend coverage for services provided to Medicaid members ages 21-64 during short-term stays in hospital-based institutions for mental diseases (IMD) primarily to treat serious mental illness or serious emotional disturbance, as required by 2023 Act 177.

#### **Demonstration Population**

Wisconsin Medicaid members enrolled in the following full-benefit Medicaid programs, and between the ages of 21 and 64, will be eligible for services under the waiver amendment, subject to medical necessity criteria.

- BadgerCare Plus (42 CFR § 431, 435, 457)
- Medicaid for the Elderly, Blind, or Disabled (full-benefit plans only) (42 CFR § 435, 441, 457, 460)
- Foster Care Medicaid (includes Subsidized Guardianship and Adoption Assistance) (42 CFR § 435.145(b))
- Well Woman Medicaid (42 CFR § 435.213)

The following eligibility groups will not be eligible for services under the waiver as these groups provide limited Medicaid benefits only.

- Emergency Services for Non-Qualifying Aliens (42 CFR § 435.139)
- Qualified Medicare Beneficiary (QMB) Program (1902(a)(10)(E)(i) and 1905(p) of the Social Security Act)

- Specified Low-Income Medicare Beneficiary (SLMB) Program (1902(a)(10)(E)(iii) and 1905(p) of the Social Security Act)
- Qualifying Individual (QI) Program (1902(a)(10)(E)(iv) and 1905(p) of the Social Security Act)
- Qualified Disabled and Working Individual (QDWI) Program (1902(a)(10)(E)(ii) and 1905(s) of the Social Security Act)
- Tuberculosis-Related Medicaid (42 CFR § 435.215)
- Temporary Enrollment for Pregnant Members (42 CFR § 435.1103(a) and 42 CFR § 435.1110)
- BadgerCare Plus Prenatal Program (42 CFR § 457.10)
- SeniorCare Prescription Drug Program (1115(a) of the Social Security Act)
- Family Planning Only Services (42 CFR § 435.214)

### **Eligibility and Enrollment**

This waiver amendment has no impact on eligibility and enrollment determinations.

### **Public Comment**

Providing information and obtaining input from the public on changes is of high importance for the State as we prepare to submit the request. By law, you have the opportunity to review the official waiver application and to provide comments for 31 days, starting October 1, 2024 and ending October 31, 2024. You may also provide comments through written or verbal statements during public hearings (see below). Public comments will be included in the waiver amendment request submitted to CMS and will be available on DHS's website at the address listed below.

### **Public Hearing**

DHS will hold a virtual public hearing on October 9, 2024, from 10:30 – 11:30 a.m.

Join online through Zoom at [dhs.wi.zoomgov.com/j/1616731692](https://dhs.wi.zoomgov.com/j/1616731692)

Or join by phone:

Dial: US: +1 669 254 5252 or +1 646 828 7666 or +1 551 285 1373 or +1 669 216 1590

Webinar ID: 161 673 1692

### **Copies of Waiver Documents**

Copies of waiver documents, including the full public notice, and the final waiver application, once complete, may be obtained from DHS at no charge by downloading the documents at [dhs.wi.gov/medicaid/waiver-smised.htm](https://dhs.wi.gov/medicaid/waiver-smised.htm) or by contacting Nicholas Di Meo at:

Mail: Nicholas Di Meo

Waukesha State Office Building

Department of Health Services, Division of Medicaid Services

141 NW Barstow St. Rm 126

Waukesha, WI 53188

Phone: 414-209-2061

Fax: 262-521-5106, Attn: Nicholas Di Meo

Email: [DHSMedicaidSMISED@dhs.wisconsin.gov](mailto:DHSMedicaidSMISED@dhs.wisconsin.gov)

### **Written Comments**

Mail: Nicholas Di Meo  
Waukesha State Office Building  
Department of Health Services, Division of Medicaid Services  
141 NW Barstow St. Rm 126  
Waukesha, WI 53188

Phone: 414-209-2061  
Fax: 262-521-5106, Attn: Nicholas Di Meo  
Email: [DHSMedicaidSMISED@dhs.wisconsin.gov](mailto:DHSMedicaidSMISED@dhs.wisconsin.gov)

## Appendix C. Tribal Consultation

### Tribal and State Collaborative for Positive Change Agenda

#### **Tribal & State Collaboration for Positive Change**

**MS Teams Link:**  
Click here to join the meeting



**Meeting ID:**  
**Passcode:**



**Date:** September 4, 2024



**Time:** 10am-2pm

### **Meeting Agenda**

- I. Welcome, Prayer**
- II. Meeting Minutes:**
  - a) Assign person to take minutes for the meeting.
- III. New Business / Agenda Items**
  - a) DHS Mental Health Programs and Services
- IV. Tribal Updates**
- V. TSCPC Partner Updates**
  - a) GLITC-Sharon Riley
  - b) IHS- Nancy Largent
- VI. State Updates- Tribal Affairs and DCTS Updates**
- VII. Possible Topics:**
  - a) Sober Living
  - b) DHS 75 Updates & Integration
  - c) Crisis Services
  - d) Adolescent Treatment Center
  - e) MAT
  - f) Suicide Prevention
  - g) Use of Peer supports/ Recovery Coaches
  - h) Staff Retention/mentoring/recruitment
- VIII. Next Meeting: October 2, 2024**
- IX. Adjourn**

## Tribal and State Collaboration for Positive Change Presentation



WISCONSIN DEPARTMENT  
of HEALTH SERVICES

### Serious Mental Illness / Serious Emotional Disturbance (SMI/SED) 1115 Waiver

Tribal & State Collaboration for Positive Change  
September 4<sup>th</sup>, 2024  
Nicholas Di Meo, MPH

Protecting and promoting the health and safety of the people of Wisconsin

### Today's Agenda

- Background and Overview
- Serious Mental Illness /  
Serious Emotional  
Disturbances Waiver Policies
- Questions & Answers



2

### 2023 WI Act 177

Enacted March 22, 2024

- Medical Assistance coverage of services provided in an institution for mental disease to persons age 21-64.
- Submit a waiver application to CMS no later than January 1, 2025.
- <https://docs.legis.wisconsin.gov/2023/related/acts/177>

3

### Timelines

Timeline	Activity
October 2024	Public comment
December 2024	Submit waiver application to CMS
2025 (estimated)	CMS waiver review
2026 (estimated)	CMS negotiations
2027 (estimated)	Begin implementation

4

### What is an Institution for Mental Diseases (IMD)?

- A hospital, nursing facility, or other institution with more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases\*, including medical attention, nursing care, and related services.
- Defined by the Social Security Act (SSA § 1905(i)).
- Examples
  - A facility licensed or accredited as a psychiatric facility.
  - A facility in which mental disease is the current reason for institutionalization of more than 50% of the patients.

\*Includes substance use disorders and diseases listed as mental disorders in the International Classification of Diseases, with a few exceptions.

5

### Wisconsin IMDs

<b>Brown County</b> <ul style="list-style-type: none"><li>▪ Bellin Psychiatric Center</li><li>▪ Libertas Center</li><li>▪ Willow Creek Behavioral Health</li></ul>	<b>Fond du Lac</b> <ul style="list-style-type: none"><li>▪ Fond du Lac County Health Care Center</li></ul>	<b>Trempealeau County</b> <ul style="list-style-type: none"><li>▪ Trempealeau County Health Care Center</li><li>▪ Trempealeau County IMD</li></ul>
<b>Dane County</b> <ul style="list-style-type: none"><li>▪ 5 Door Recovery/Hope Haven/Rieses United (RSUD)</li><li>▪ Mandota Mental Health Institute</li></ul>	<b>Milwaukee County</b> <ul style="list-style-type: none"><li>▪ Aurora Psychiatric Hospital</li><li>▪ Genesis Behavioral Services (RSUD)</li><li>▪ Matt Talbot Recovery Services (RSUD)</li><li>▪ Rogers Memorial Hospital Inc. (Brown Deer and Milwaukee)</li><li>▪ Milwaukee County Behavioral Health</li></ul>	<b>Washington County</b> <ul style="list-style-type: none"><li>▪ Exodus Transnational Care Facility (RSUD)</li></ul>
<b>Eau Claire County</b> <ul style="list-style-type: none"><li>▪ Lutheran Social Services - Affinity House (RSUD)</li><li>▪ Lutheran Social Services - Fairman Center</li></ul>	<b>Oneida County</b> <ul style="list-style-type: none"><li>▪ Options Counseling Services</li><li>▪ Rhineland (RSUD)</li></ul>	<b>Waukesha County</b> <ul style="list-style-type: none"><li>▪ Lutheran Social Services (RSUD)</li><li>▪ Rogers Memorial Hospital</li></ul>
		<b>Winnebago County</b> <ul style="list-style-type: none"><li>▪ Winnebago Mental Health Institute</li></ul>

6

### Current WI Medicaid IMD Coverage

- Wisconsin provides Medicaid coverage for services provided in an IMD for:
  - Children under age 21
  - Adults age 65 and older
  - Individuals receiving residential substance use disorder treatment
- Managed care plans can cover IMD admissions for adults age 22-64 for no more than 15 days per month.
  - In lieu of traditional psychiatric intervention services.
  - In BadgerCare Plus and Medicaid for the Elderly, Blind, and Disabled

7

### Federal legislative history

- Historically, CMS prohibited federal Medicaid funding for services provided to some individuals in an IMD.
- This "IMD exclusion" was designed to assure that states (rather than the federal government) maintained primary responsibility for funding inpatient psychiatric services.

The CMS "IMD exclusion" notes exceptions that allow coverage for:

- Children under age 21
- Adults 65 and older

8



## CMS Guidance

### Limitations and Restrictions

- Under this IMD waiver, state Medicaid programs may not pay for:
  - Room and board payments (unless facilities qualify under the Social Security Act 1905(a)).
  - Services provided in nursing homes that qualify as IMDs.
  - Services provided to individuals under age 22 if those settings do not meet the CMS requirements to qualify for the Inpatient Psychiatric Services for individuals under age 21 benefit.
  - Services in a psychiatric hospital or residential treatment facility for inmates who are involuntarily residing in the facility by operation of criminal law.

9

## Waiver Policies

## CMS' SMI/SED Waiver Goals

### Reduced utilization and lengths of stay in EDs

- among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings

### Reduced preventable readmissions

- to acute care hospitals and residential settings

### Improved availability of crisis stabilization services

- including services made available through call centers and mobile crisis units, intensive outpatient services, and services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings

### Improved access to community-based services

- to address the chronic mental health care needs of beneficiaries with SMI or SED including through increased integration of primary and behavioral health care

### Improved care coordination

- especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities

11

## Benefits Coverage

- Wisconsin Medicaid is extending coverage for services to members aged 21 to 64 admitted to an IMD primarily to treat SMI/SED
- Members in fee-for-service and managed care arrangements will be eligible
- Payment methodologies will be consistent with those approved in the Medicaid State Plan

12

## Eligibility Requirements

- Wisconsin Medicaid members enrolled in a full-benefit program between the ages of 21 and 64 who meet medical necessity will be eligible
  - BadgerCare Plus
  - Medicaid for the Elderly, Blind, or Disabled (full-benefit plans only)
  - Foster Care Medicaid (includes Subsidized Guardianship and Adoption Assistance)
  - Well Woman Medicaid
- Members enrolled in partial-benefit programs are not eligible. Examples include:
  - SeniorCare Prescription Drug Program
  - Family Planning Only Services

13

## Care Management Requirements

To further support members in treatment and to prevent acute crises events, the state must assure proactive identification of patients who are at risk of disengaging from treatment or who have stopped treatment, and notify care teams to ensure treatment continues or resumes.

DHS will work with providers, insurers, and the state's health information exchange, WISHIN, to promote bi-directional sharing of patient care plans.

14

## Additional Assurances and Requirements

- Participating states are expected to take actions to **maintain and enhance community-based mental health care** for individuals with SMI/SED.
- These include:
  - Ensuring **good quality of care** in IMDs.
  - Improving **connections to community-based care** after stays in acute care settings.
  - Ensuring a continuum of care is available to address more chronic, on-going needs and provide a full range of **crisis stabilization services**.
  - Identifying and engaging people in **treatment as soon as possible**.

15

## Questions and Answers



## Other Resources



- Find links to documentation for states approved for this waiver and other information at:

 [medicaid.gov/medicaid/section-1115-demonstrations/senior-medicare-lifeline-section-1115-demonstration-opportunity/index.html](https://www.medicare.gov/medicaid-section-1115-demonstrations/senior-medicare-lifeline-section-1115-demonstration-opportunity/index.html)

- Wisconsin's waiver webpage is under development.

17



Thank you!



WISCONSIN DEPARTMENT  
of HEALTH SERVICES



**WISCONSIN  
TRIBAL HEALTH DIRECTORS MEETING AGENDA**

**September 11, 24  
Jefferson Street Inn  
Madison Room  
201 Jefferson Street  
Wausau, WI 54403**

**10am-2pm**

**Web and Teleconference Access Information On the Next Page:**

- |                       |   |
|-----------------------|---|
| 10:00 a.m.            | Welcome and Roll Call   |
|                       | Tribal Health Director Updates  |
| 10:30 a.m.            | Division of Medicaid Services, Bill Hannah <ul style="list-style-type: none"><li>• All Inclusive Rate SPA</li><li>• 3rd QTR State Plan Amendment,</li><li>• Managed Care Quality Strategy, Christian Moran, Mekalah Wagner, Nicole Schneider</li><li>• SMI/SED 1115 Waiver, Pam Lano, Julia Thoe, Nick Di Meo</li></ul>                                     |
|                       | Division of Public Health, Paula Tran Administrator <ul style="list-style-type: none"><li>• Climate and Extreme weather: Kate Beardmore and Erika Kluetmeier</li><li>• DMI, Local and Tribal Public Health Data System Assessment: Huong, Muthu, Rebecca</li><li>• Social Determinants of Health (SDoH), engagement with GLITEC: Chelsea Robinson</li></ul> |
| 12 p.m.               | Lunch-On Your Own   |
| 12:45 p.m.<br>Boelter | Governor's Taskforce on Healthcare Workforce: Action Plan, Tom  |
| 1:20pm                | Bemidji Area Indian Health Services, Asha Petosky<br>Great Lakes Inter-Tribal Epidemiology Center Update,<br>Great Lake Area Tribal Health Board Update, Will Funmaker  |

2:00pm

#### Topics for 2024 WTHDA Meeting

- UW Madison, Dept of Ophthalmology & Visual Science
- Secretary Johnson, continue to meet with Tribal Clinics
- Pregnancy Risk Assessment Monitoring System (PRAMS) Oversample, Sheri Johnson, UW Population Health

#### Adjourn

2024 WTHDA meeting schedule  
2<sup>nd</sup> Wednesdays  
(Tribal Clinic Covering Meeting Space)

~~January 11, 2024 (Bad River)~~  
~~March 12, 2024 (Peter Christensen-LDF)~~  
~~May 8, 2024 (Red Cliff) Cancelled, rescheduled to virtual~~  
~~July 10, 2024 (Stockbridge Munsee)~~  
September 11, 2024 (Red Cliff)  
November 13, 2024

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## Microsoft Teams meeting

**Join on your computer, mobile app or room device**

**Click here to join the meeting**

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United States, Madison

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## Tribal Health Directors Presentation



WISCONSIN DEPARTMENT  
of HEALTH SERVICES

### Serious Mental Illness / Serious Emotional Disturbance (SMI/SED) 1115 Waiver

Tribal Health Directors  
September 11, 2024

Protecting and promoting the health and safety of the people of Wisconsin

### Today's Agenda

- Background and Overview
- Serious Mental Illness /  
Serious Emotional  
Disturbances Waiver Policies
- Questions & Answers



2

### 2023 WI Act 177

Enacted March 22, 2024

- Medical Assistance coverage of services provided in an institution for mental disease to persons age 21-64.
- Submit a waiver application to CMS no later than January 1, 2025.
- <https://docs.legis.wisconsin.gov/2023/related/acts/177>

3

### Timelines

Timeline	Activity
October 2024	Public comment
December 2024	Submit waiver application to CMS
2025 (estimated)	CMS waiver review
2026 (estimated)	CMS negotiations
2027 (estimated)	Begin implementation

4

### What is an Institution for Mental Diseases (IMD)?

- A hospital, nursing facility, or other institution with more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases\*, including medical attention, nursing care, and related services.
- Defined by the Social Security Act (SSA § 1905(i)).
- Examples
  - A facility licensed or accredited as a psychiatric facility.
  - A facility in which mental disease is the current reason for institutionalization of more than 50% of the patients.

\*Includes substance use disorders and diseases listed as mental disorders in the International Classification of Diseases, with a few exceptions.

5

### Wisconsin IMDs

<b>Brown County</b> <ul style="list-style-type: none"><li>▪ Bellin Psychiatric Center</li><li>▪ Libertas Center</li><li>▪ Willow Creek Behavioral Health</li></ul>	<b>Fond du Lac</b> <ul style="list-style-type: none"><li>▪ Fond du Lac County Health Care Center</li></ul>	<b>Trempealeau County</b> <ul style="list-style-type: none"><li>▪ Trempealeau County Health Care Center</li><li>▪ Trempealeau County IMD</li></ul>
<b>Dane County</b> <ul style="list-style-type: none"><li>▪ 5 Door Recovery/Hope Haven/Rieses United (RSUD)</li><li>▪ Mondota Mental Health Institute</li></ul>	<b>Milwaukee County</b> <ul style="list-style-type: none"><li>▪ Aurora Psychiatric Hospital</li><li>▪ Genesis Behavioral Services (RSUD)</li><li>▪ Matt Talbot Recovery Services (RSUD)</li><li>▪ Rogers Memorial Hospital Inc. (Brown Deer and Milwaukee)</li><li>▪ Milwaukee County Behavioral Health</li></ul>	<b>Washington County</b> <ul style="list-style-type: none"><li>▪ Exodus Transnational Care Facility (RSUD)</li></ul>
<b>Eau Claire County</b> <ul style="list-style-type: none"><li>▪ Lutheran Social Services – Affinity House (RSUD)</li><li>▪ Lutheran Social Services – Fairman Center</li></ul>	<b>Waukesha County</b> <ul style="list-style-type: none"><li>▪ Lutheran Social Services (RSUD)</li><li>▪ Rogers Memorial Hospital</li></ul>	<b>Winnebago County</b> <ul style="list-style-type: none"><li>▪ Winnebago Mental Health Institute</li></ul>
	<b>Oneida County</b> <ul style="list-style-type: none"><li>▪ Options Counseling Services</li><li>▪ Rhineland (RSUD)</li></ul>	

6

### Current WI Medicaid IMD Coverage

- Wisconsin provides Medicaid coverage for services provided in an IMD for:
  - Children under age 21
  - Adults age 65 and older
  - Individuals receiving residential substance use disorder treatment
- Managed care plans can cover IMD admissions for adults age 22-64 for no more than 15 days per month.
  - In lieu of traditional psychiatric intervention services.
  - In BadgerCare Plus and Medicaid for the Elderly, Blind, and Disabled

7

### Federal legislative history

- Historically, CMS prohibited federal Medicaid funding for services provided to some individuals in an IMD.
- This "IMD exclusion" was designed to assure that states (rather than the federal government) maintained primary responsibility for funding inpatient psychiatric services.

The CMS "IMD exclusion" notes exceptions that allow coverage for:

- Children under age 21
- Adults 65 and older

8

## CMS Guidance

### Limitations and Restrictions

- Under this IMD waiver, state Medicaid programs may not pay for:
  - Room and board payments (unless facilities qualify under the Social Security Act 1905(a)).
  - Services provided in nursing homes that qualify as IMDs.
  - Services provided to individuals under age 22 if those settings do not meet the CMS requirements to qualify for the Inpatient Psychiatric Services for individuals under age 21 benefit.
  - Services in a psychiatric hospital or residential treatment facility for inmates who are involuntarily residing in the facility by operation of criminal law.

9

## Waiver Policies

## CMS' SMI/SED Waiver Goals

### Reduced utilization and lengths of stay in EDs

- among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings

### Reduced preventable readmissions

- to acute care hospitals and residential settings

### Improved availability of crisis stabilization services

- including services made available through call centers and mobile crisis units, intensive outpatient services, and services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings

### Improved access to community-based services

- to address the chronic mental health care needs of beneficiaries with SMI or SED including through increased integration of primary and behavioral health care

### Improved care coordination

- especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities

11

## Benefits Coverage

- Wisconsin Medicaid is extending coverage for services to members aged 21 to 64 admitted to an IMD primarily to treat SMI/SED
- Members in fee-for-service and managed care arrangements will be eligible
- Payment methodologies will be consistent with those approved in the Medicaid State Plan

12

## Eligibility Requirements

- Wisconsin Medicaid members enrolled in a full-benefit program between the ages of 21 and 64 who meet medical necessity will be eligible
  - BadgerCare Plus
  - Medicaid for the Elderly, Blind, or Disabled (full-benefit plans only)
  - Foster Care Medicaid (includes Subsidized Guardianship and Adoption Assistance)
  - Well Woman Medicaid
- Members enrolled in partial-benefit programs are not eligible. Examples include:
  - SeniorCare Prescription Drug Program
  - Family Planning Only Services

13

## Care Management Requirements

To further support members in treatment and to prevent acute crises events, the state must assure proactive identification of patients who are at risk of disengaging from treatment or who have stopped treatment, and notify care teams to ensure treatment continues or resumes.

DHS will work with providers, insurers, and the state's health information exchange, WISHIN, to promote bi-directional sharing of patient care plans.

14

## Additional Assurances and Requirements

- Participating states are expected to take actions to **maintain and enhance community-based mental health care** for individuals with SMI/SED.
- These include:
  - Ensuring **good quality of care** in IMDs.
  - Improving **connections to community-based care** after stays in acute care settings.
  - Ensuring a continuum of care is available to address more chronic, on-going needs and provide a full range of **crisis stabilization services**.
  - Identifying and engaging people in **treatment as soon as possible**.

15

## Questions and Answers



## Other Resources



- Find links to documentation for states approved for this waiver and other information at:

 [medicaid.gov/medicaid/section-1115-demonstrations/senior-medicare-lifeline-section-1115-demonstration-opportunity/index.html](https://www.medicare.gov/medicaid-section-1115-demonstrations/senior-medicare-lifeline-section-1115-demonstration-opportunity/index.html)

- Wisconsin's waiver webpage is under development.

17



Thank you!



WISCONSIN DEPARTMENT  
of HEALTH SERVICES

Tony Evers  
Governor

Kirsten L. Johnson  
Secretary



**State of Wisconsin**  
Department of Health Services

**DIVISION OF MEDICAID SERVICES**

1 WEST WILSON STREET  
PO BOX 309  
MADISON WI 53701-0309

Telephone: 608-266-8922  
Fax: 608-266-1096  
TTY: 711

October 1, 2024

Robert Blanchard, Chairman  
Bad River Band of Lake Superior Chippewa Indians  
PO Box 39 Odanah, WI  
54861

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear Chairman Blanchard:

This letter is to inform you that the Wisconsin Department of Health Services (DHS) intends to submit an application to amend the BadgerCare Waiver to the Centers for Medicare and Medicaid Services (CMS) requesting the authority to reimburse for acute inpatient stays in institutions for mental diseases (IMDs) for Medicaid-enrolled adults, ages 21-64, diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED). The goal is to help ease some of the current access challenges and expand access to the full continuum of evidence-based care. 2023 Wisconsin Act 177 requires DHS to submit this application by January 1, 2025.

Currently, Wisconsin Medicaid provides coverage for medically necessary services provided in an IMD for members younger than 21 and older than 64. Additionally, under the current BadgerCare Waiver, Wisconsin Medicaid also provides coverage for residential substance disorder treatment in an IMD. Under this waiver amendment, Wisconsin will continue to strengthen the continuum of care by providing coverage for short-term stays in hospital IMDs primarily to treat serious mental illness and serious emotional disturbance for Medicaid members ages 21 to 64 years of age, subject to medical necessity. Wisconsin intends to align coverage for elective urgent admissions as well as emergency admissions for this population to match the existing coverage for members under age 21 and over 64. Emergency admissions are involuntary civil commitments necessary to prevent death or serious impairment of the member's health. Individuals residing in an IMD under operation of criminal law would not be eligible for this benefit.

DHS anticipates that this amendment will have minimal impact to Tribes and Tribal members since the waiver:

- Would offer additional coverage to all full-benefit Medicaid members.
- Does not have any impact on eligibility or enrollment determinations.

- Makes no changes to cost sharing or payment methodologies in the State Plan.

A high-level summary of the proposed policy changes is provided below.

### ***Eligibility***

Wisconsin Medicaid members enrolled in the full-benefit programs listed below and who are between the ages of 21 and 64 who meet medical necessity will be eligible for this benefit.

- BadgerCare Plus
- Medicaid for the elderly, blind, or disabled (full-benefit plans only)
- Foster Care Medicaid (includes Subsidized Guardianship and Adoption Assistance)
- Wisconsin Well Woman Medicaid

***Delivery System*** All enrollees will continue to receive services through their current delivery system.

### ***Waiver and Expenditure Authorities Requested***

Wisconsin requests expenditure authority under this Section 1115 Waiver for otherwise covered services furnished to otherwise eligible individuals, ages 21 through 64, for short term stays for acute care in a psychiatric hospital that qualifies as an IMD. No additional waivers of Title XIX or Title XXI are requested through this demonstration application. All other initiatives and proposed program enhancements will be implemented through other authorities outside of this Section 1115 Waiver.

### ***Cost Sharing***

The Waiver does not impose new cost-sharing requirements. Rather, those individuals determined eligible for Medicaid will be subject to the same nominal copayments and cost sharing as authorized under Wisconsin's Medicaid State Plan.

### ***Payment Rates***

Payment methodologies will be consistent with those approved in the Medicaid State Plan.

### ***Implementation***

DHS is submitting this demonstration as an amendment to the existing BadgerCare Waiver. DHS must obtain approval from CMS before this change can take effect. If approved, that would align the demonstration period for this amendment with that of the larger waiver. DHS intends to begin implementation of this demonstration as soon as possible after CMS approval.

DHS values its relationship with Tribal nations in Wisconsin and is interested in your comments and feedback to help strengthen this proposal to best serve Tribal members enrolled in Wisconsin's Medicaid program. Tribal representatives may provide official



comments and questions on the waiver amendment application between October 1 and October 31, 2024.

Written comments may be sent to:

Mail: Nicholas Di Meo  
Waukesha State Office Building  
Department of Health Services, Division of Medicaid Services  
141 NW Barstow St. Rm  
126 Waukesha, WI 53188

Phone: 414-209-2061  
Fax: 262-521-5106, Attn: Nicholas Di Meo  
Email: [DHSMedicaidSMISED@dhs.wisconsin.gov](mailto:DHSMedicaidSMISED@dhs.wisconsin.gov)

DHS will hold a virtual public hearing on October 9, 2024, from 10:30 – 11:30 a.m.

Join online through Zoom at [dhs.wi.zoomgov.com/j/1616731692](https://dhs.wi.zoomgov.com/j/1616731692)

Or join by phone:

Dial: US: +1 669 254 5252 or +1 646 828 7666 or +1 551 285 1373 or +1  
669 216 1590  
Webinar ID: 161 673 1692

Copies of waiver documents, including the full public notice and the final waiver application, once complete, may be obtained from DHS at no charge by downloading the documents at [dhs.wi.gov/medicaid/waiver-smised.htm](https://dhs.wi.gov/medicaid/waiver-smised.htm) or by contacting Nicholas Di Meo at:

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DHS appreciated the opportunity to meet with the Tribal behavioral health directors on September 4, 2024, and the Tribal health directors on September 11, 2024, to discuss the waiver amendment and receive input as we were developing the application. Since those presentations, DHS has made no additional changes to the waiver policies.

If you are interested in meeting to further discuss this waiver application, please contact



[DHSMedicaidSMISED@dhs.wisconsin.gov](mailto:DHSMedicaidSMISED@dhs.wisconsin.gov). Thank you in advance for your time and consideration. Your input is important to ensure Medicaid meets the needs of Tribal members across Wisconsin.

Sincerely,



William Hanna  
Medicaid Director

cc: Tribal Health Directors  
Tribal Behavioral Health Directors  
Family Service Directors  
Tribal Aging Unit Directors  
DHS Tribal Affairs  
Nicholas DiMeo

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October 1, 2024

James A. Crawford, Chairman  
Forest County Potawatomi Community  
PO Box 340  
Crandon, WI 54520

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear Chairman Crawford:

This letter is to inform you that the Wisconsin Department of Health Services (DHS) intends to submit an application to amend the BadgerCare Waiver to the Centers for Medicare and Medicaid Services (CMS) requesting the authority to reimburse for acute inpatient stays in institutions for mental diseases (IMDs) for Medicaid-enrolled adults, ages 21-64, diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED). The goal is to help ease some of the current access challenges and expand access to the full continuum of evidence-based care. 2023 Wisconsin Act 177 requires DHS to submit this application by January 1, 2025.

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DHS anticipates that this amendment will have minimal impact to Tribes and Tribal members since the waiver:

- Would offer additional coverage to all full-benefit Medicaid members.

- Does not have any impact on eligibility or enrollment determinations.
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A high-level summary of the proposed policy changes is provided below.

### ***Eligibility***

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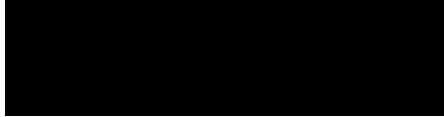
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Sincerely,



William Hanna  
Medicaid Director

cc: Tribal Health Directors  
Tribal Behavioral Health Directors  
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**State of Wisconsin**  
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MADISON WI 53701-0309

Telephone: 608-266-8922  
Fax: 608-266-1096  
TTY: 711

October 1, 2024

Lyle A. Ignace, Executive Director  
Gerald L. Ignace Indian Health Center  
930 W. Historic Mitchell  
Street Milwaukee, WI 53204

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear Dr. Ignace:

This letter is to inform you that the Wisconsin Department of Health Services (DHS) intends to submit an application to amend the BadgerCare Waiver to the Centers for Medicare and Medicaid Services (CMS) requesting the authority to reimburse for acute inpatient stays in institutions for mental diseases (IMDs) for Medicaid-enrolled adults, ages 21-64, diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED). The goal is to help ease some of the current access challenges and expand access to the full continuum of evidence-based care. 2023 Wisconsin Act 177 requires DHS to submit this application by January 1, 2025.

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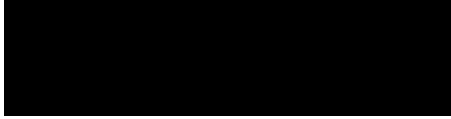
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Sincerely,



William Hanna  
Medicaid Director

cc: DHS Tribal Affairs  
Nicholas DiMeo

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October 1, 2024

Bryan Bainbridge, CEO  
Great Lakes Inter-Tribal Council, Inc  
P.O. Box 9  
Lac du Flambeau, WI 54538

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear Mr. Bainbridge:

This letter is to inform you that the Wisconsin Department of Health Services (DHS) intends to submit an application to amend the BadgerCare Waiver to the Centers for Medicare and Medicaid Services (CMS) requesting the authority to reimburse for acute inpatient stays in institutions for mental diseases (IMDs) for Medicaid-enrolled adults, ages 21-64, diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED). The goal is to help ease some of the current access challenges and expand access to the full continuum of evidence-based care. 2023 Wisconsin Act 177 requires DHS to submit this application by January 1, 2025.

Currently, Wisconsin Medicaid provides coverage for medically necessary services provided in an IMD for members younger than 21 and older than 64. Additionally, under the current BadgerCare Waiver, Wisconsin Medicaid also provides coverage for residential substance disorder treatment in an IMD. Under this waiver amendment, Wisconsin will continue to strengthen the continuum of care by providing coverage for short-term stays in hospital IMDs primarily to treat serious mental illness and serious emotional disturbance for Medicaid members ages 21 to 64 years of age, subject to medical necessity. Wisconsin intends to align coverage for elective urgent admissions as well as emergency admissions for this population to match the existing coverage for members under age 21 and over 64. Emergency admissions are involuntary civil commitments necessary to prevent death or serious impairment of the member's health. Individuals residing in an IMD under operation of criminal law would not be eligible for this benefit.

DHS anticipates that this amendment will have minimal impact to Tribes and Tribal members since the waiver:

- Would offer additional coverage to all full-benefit Medicaid members.

- Does not have any impact on eligibility or enrollment determinations.
- Makes no changes to cost sharing or payment methodologies in the State Plan.

A high-level summary of the proposed policy changes is provided below.

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Wisconsin Medicaid members enrolled in the full-benefit programs listed below and who are between the ages of 21 and 64 who meet medical necessity will be eligible for this benefit.

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***Delivery System*** All enrollees will continue to receive services through their current delivery system.

### ***Waiver and Expenditure Authorities Requested***

Wisconsin requests expenditure authority under this Section 1115 Waiver for otherwise covered services furnished to otherwise eligible individuals, ages 21 through 64, for shortterm stays for acute care in a psychiatric hospital that qualifies as an IMD. No additional waivers of Title XIX or Title XXI are requested through this demonstration application. All other initiatives and proposed program enhancements will be implemented through other authorities outside of this Section 1115 Waiver.

### ***Cost Sharing***

The Waiver does not impose new cost-sharing requirements. Rather, those individuals determined eligible for Medicaid will be subject to the same nominal copayments and cost sharing as authorized under Wisconsin's Medicaid State Plan.

### ***Payment Rates***

Payment methodologies will be consistent with those approved in the Medicaid State Plan.

### ***Implementation***

DHS is submitting this demonstration as an amendment to the existing BadgerCare Waiver. DHS must obtain approval from CMS before this change can take effect. If approved, that would align the demonstration period for this amendment with that of the larger waiver. DHS intends to begin implementation of this demonstration as soon as possible after CMS approval.

DHS values its relationship with Tribal nations in Wisconsin and is interested in your comments and feedback to help strengthen this proposal to best serve Tribal members

enrolled in Wisconsin's Medicaid program. Tribal representatives may provide official comments and questions on the waiver amendment application between October 1 and October 31, 2024.

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Waukesha State Office Building  
Department of Health Services, Division of Medicaid Services  
141 NW Barstow St. Rm  
126 Waukesha, WI 53188

Phone: 414-209-2061  
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Sincerely,



William Hanna  
Medicaid Director

cc: DHS Tribal Affairs  
Nicholas DiMeo

Tony Evers  
Governor



Kirsten L. Johnson  
Secretary

**State of Wisconsin**  
Department of Health Services

**DIVISION OF MEDICAID SERVICES**

1 WEST WILSON STREET  
PO BOX 309  
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Telephone: 608-266-8922  
Fax: 608-266-1096  
TTY: 711

October 1, 2024

Jon Greendeer, President  
Ho-Chunk Nation  
PO Box 667  
Black River Falls, WI 54615

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear President Greendeer:

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Sincerely,



William Hanna  
Medicaid Director

cc: Danielle LeLong, Ho-Chunk Nation, Vice  
President Tribal Health Directors  
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Family Service Directors  
Tribal Aging Unit Directors  
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October 1, 2024

Louis Tayler, Chairman  
Lac Courte Oreilles Band of Lake Superior Chippewa Indians  
13394 W. Trepania  
Road Hayward, WI  
54843-2186

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear Chairman Taylor:

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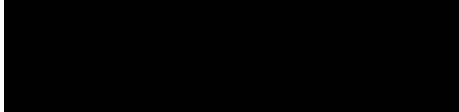
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October 1, 2024

John Johnson, Sr., President  
Lac du Flambeau Band of Lake Superior Chippewa Indians  
PO Box 67  
Lac du Flambeau, WI 54538

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

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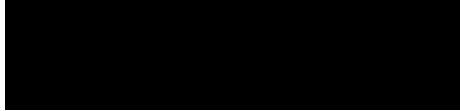
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October 1, 2024

Gena Kakkak, Chairwoman  
Menominee Indian Tribe of Wisconsin  
P.O. Box 910  
Keshena, WI 54135

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

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Department of Health Services, Division of Medicaid Services  
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126 Waukesha, WI 53188

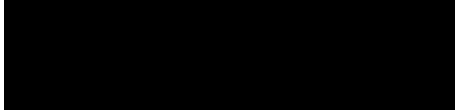
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Sincerely,



William Hanna  
Medicaid Director

cc: Tribal Health Directors  
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Tribal Aging Unit Directors  
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Nicholas DiMeo

Tony Evers  
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**State of Wisconsin**  
Department of Health Services

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TTY: 711

October 1, 2024

Tehassi Hill, Chairman  
Oneida Nation  
Oneida Business Community  
P.O. Box 365  
Oneida, WI 54155

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear Chairman Hill:

This letter is to inform you that the Wisconsin Department of Health Services (DHS) intends to submit an application to amend the BadgerCare Waiver to the Centers for Medicare and Medicaid Services (CMS) requesting the authority to reimburse for acute inpatient stays in institutions for mental diseases (IMDs) for Medicaid-enrolled adults, ages 21-64, diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED). The goal is to help ease some of the current access challenges and expand access to the full continuum of evidence-based care. 2023 Wisconsin Act 177 requires DHS to submit this application by January 1, 2025.

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DHS anticipates that this amendment will have minimal impact to Tribes and Tribal members since the waiver:

- Would offer additional coverage to all full-benefit Medicaid members.



- Does not have any impact on eligibility or enrollment determinations.
- Makes no changes to cost sharing or payment methodologies in the State Plan.

A high-level summary of the proposed policy changes is provided below.

### ***Eligibility***

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***Delivery System*** All enrollees will continue to receive services through their current delivery system.

### ***Waiver and Expenditure Authorities Requested***

Wisconsin requests expenditure authority under this Section 1115 Waiver for otherwise covered services furnished to otherwise eligible individuals, ages 21 through 64, for shortterm stays for acute care in a psychiatric hospital that qualifies as an IMD. No additional waivers of Title XIX or Title XXI are requested through this demonstration application. All other initiatives and proposed program enhancements will be implemented through other authorities outside of this Section 1115 Waiver.

### ***Cost Sharing***

The Waiver does not impose new cost-sharing requirements. Rather, those individuals determined eligible for Medicaid will be subject to the same nominal copayments and cost sharing as authorized under Wisconsin's Medicaid State Plan.

### ***Payment Rates***

Payment methodologies will be consistent with those approved in the Medicaid State Plan.

### ***Implementation***

DHS is submitting this demonstration as an amendment to the existing BadgerCare Waiver. DHS must obtain approval from CMS before this change can take effect. If approved, that would align the demonstration period for this amendment with that of the larger waiver. DHS intends to begin implementation of this demonstration as soon as possible after CMS approval.

DHS values its relationship with Tribal nations in Wisconsin and is interested in your comments and feedback to help strengthen this proposal to best serve Tribal members

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October 1, 2024

Nicole Boyd, Chairwoman  
Red Cliff Band of Lake Superior Chippewa  
88385 Pike Road,  
Hwy 13 Bayfield, WI  
54814

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear Chairwoman Boyd:

This letter is to inform you that the Wisconsin Department of Health Services (DHS) intends to submit an application to amend the BadgerCare Waiver to the Centers for Medicare and Medicaid Services (CMS) requesting the authority to reimburse for acute inpatient stays in institutions for mental diseases (IMDs) for Medicaid-enrolled adults, ages 21-64, diagnosed with serious mental illness (SMI) or serious emotional disturbance (SED). The goal is to help ease some of the current access challenges and expand access to the full continuum of evidence-based care. 2023 Wisconsin Act 177 requires DHS to submit this application by January 1, 2025.

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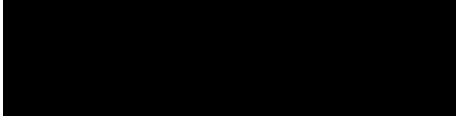
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October 1, 2024

Robert Vanzile, Chairman  
Sokaogon Chippewa Community  
3051 Sand Lake  
Road Crandon,  
WI 54520

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear Chairman Vanzile:

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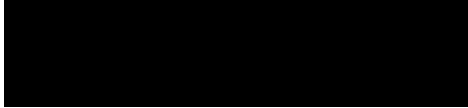
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October 1, 2024

Thomas Fowler, Chairman  
St. Croix Chippewa Indians of Wisconsin  
24663 Angeline Ave. Webster, WI 54893

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear Chairman Fowler:

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October 1, 2024

Shannon Holsey, President  
Stockbridge Munsee Community  
N8476 Mo-He-Co-Nuck Road  
Bowler, WI 54416

Re: Tribal Comments on Proposed Changes to the BadgerCare Waiver.

Dear President Holsey:

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A high-level summary of the proposed policy changes is provided below.

### ***Eligibility***

Wisconsin Medicaid members enrolled in the full-benefit programs listed below and who are between the ages of 21 and 64 who meet medical necessity will be eligible for this benefit.

- BadgerCare Plus
- Medicaid for the elderly, blind, or disabled (full-benefit plans only)
- Foster Care Medicaid (includes Subsidized Guardianship and Adoption Assistance)
- Wisconsin Well Woman Medicaid

***Delivery System*** All enrollees will continue to receive services through their current delivery system.

### ***Waiver and Expenditure Authorities Requested***

Wisconsin requests expenditure authority under this Section 1115 Waiver for otherwise covered services furnished to otherwise eligible individuals, ages 21 through 64, for shortterm stays for acute care in a psychiatric hospital that qualifies as an IMD. No additional waivers of Title XIX or Title XXI are requested through this demonstration application. All other initiatives and proposed program enhancements will be implemented through other authorities outside of this Section 1115 Waiver.

### ***Cost Sharing***

The Waiver does not impose new cost-sharing requirements. Rather, those individuals determined eligible for Medicaid will be subject to the same nominal copayments and cost sharing as authorized under Wisconsin's Medicaid State Plan.

### ***Payment Rates***

Payment methodologies will be consistent with those approved in the Medicaid State Plan.

### ***Implementation***

DHS is submitting this demonstration as an amendment to the existing BadgerCare Waiver. DHS must obtain approval from CMS before this change can take effect. If approved, that would align the demonstration period for this amendment with that of the larger waiver. DHS intends to begin implementation of this demonstration as soon as possible after CMS approval.

DHS values its relationship with Tribal nations in Wisconsin and is interested in your comments and feedback to help strengthen this proposal to best serve Tribal members enrolled in Wisconsin's Medicaid program. Tribal representatives may provide official

comments and questions on the waiver amendment application between October 1 and October 31, 2024.

Written comments may be sent to:

Mail: Nicholas Di Meo  
Waukesha State Office Building  
Department of Health Services, Division of Medicaid Services  
141 NW Barstow St. Rm  
126 Waukesha, WI 53188

Phone: 414-209-2061  
Fax: 262-521-5106, Attn: Nicholas Di Meo  
Email:  
[DHSMedicaidSMISED@dhs.wisconsin.gov](mailto:DHSMedicaidSMISED@dhs.wisconsin.gov)

DHS will hold a virtual public hearing on October 9, 2024, from 10:30 – 11:30 a.m.

Join online through Zoom at [dhs.wi.zoomgov.com/j/1616731692](https://dhs.wi.zoomgov.com/j/1616731692)

Or join by phone:

Dial: US: +1 669 254 5252 or +1 646 828 7666 or +1 551 285 1373 or +1  
669 216 1590  
Webinar ID: 161 673 1692

Copies of waiver documents, including the full public notice and the final waiver application, once complete, may be obtained from DHS at no charge by downloading the documents at [dhs.wi.gov/medicaid/waiver-smised.htm](https://dhs.wi.gov/medicaid/waiver-smised.htm) or by contacting Nicholas Di Meo at:

Mail: Nicholas Di Meo  
Waukesha State Office Building  
Department of Health Services, Division of Medicaid Services  
141 NW Barstow St. Rm  
126 Waukesha, WI 53188

Phone: 414-209-2061  
Fax: -262-521-5106, Attn: Nicholas Di Meo  
Email:  
[DHSMedicaidSMISED@dhs.wisconsin.gov](mailto:DHSMedicaidSMISED@dhs.wisconsin.gov)

DHS appreciated the opportunity to meet with the Tribal behavioral health directors on September 4, 2024, and the Tribal health directors on September 11, 2024, to discuss the waiver amendment and receive input as we were developing the application. Since those presentations, DHS has made no additional changes to the waiver policies.

If you are interested in meeting to further discuss this waiver application, please contact [DHSMedicaidSMISED@dhs.wisconsin.gov](mailto:DHSMedicaidSMISED@dhs.wisconsin.gov). Thank you in advance for your time and consideration. Your input is important to ensure Medicaid meets the needs of Tribal members across Wisconsin.

Sincerely,



William Hanna  
Medicaid Director

cc: Tribal Health Directors  
Tribal Behavioral Health Directors  
Family Service Directors  
Tribal Aging Unit Directors  
DHS Tribal Affairs  
Nicholas DiMeo

## Appendix D: Gov Delivery Email Notifications

ForwardHealth Partners Listserv

**From:** Wisconsin Department of Health Services <widhs@public.govdelivery.com>

**Sent:** Tuesday, October 1, 2024 12:39 PM

**To:** Di Meo, Nicholas P - DHS <Nicholas.DiMeo@dhs.wisconsin.gov>

**Subject:** Request for Public Comment



**WISCONSIN DEPARTMENT  
of HEALTH SERVICES**

### ForwardHealth Community Partners



*Updates for local agencies, community-based organizations, and providers that offer help to members of Wisconsin's health and nutrition assistance programs.*

## Request for Public Comment

### Serious Mental Illness and Serious Emotional Disturbance Waiver

The public comment period for the [Serious Mental Illness and Serious Emotional Disturbance Waiver](#) is now open. Help us improve Medicaid coverage for Wisconsinites who get mental health services in an institution for mental disease. You can share your feedback from **October 1 through October 31, 2024**.

#### **What is the purpose of this waiver?**

Federal law limits the ability of state Medicaid programs to pay for services in an institution for mental disease. Today, Wisconsin only covers mental health services for members under age 21 and adults 65 and older. That means that members aged 21-64 do not get the same benefits.

To remedy this situation, we are asking the Centers for Medicare & Medicaid Services (CMS) to let us add this coverage for members aged 21-64.

#### **How can I learn more?**

[See the public notice for details](#)

Attend our public hearing. We will present an overview of the waiver and its benefits and take comments from the public.

**Wednesday, October 9, 2024, 10:30 – 11:30 a.m. CT**

[Join online through Zoom](#)

Zoom link: [dhs.wi.zoomgov.com/j/1616731692](https://dhs.wi.zoomgov.com/j/1616731692)

Webinar ID: 161 673 1692

You can also join by phone. Dial: US: +1 669 254 5252 or +1 646 828 7666 or +1 551 285 1373 or +1 669 216 1590

#### **How do I share my feedback?**

Go to our [waiver website](#) to find out how you can submit comments via mail, fax, or email. Be sure to respond by **October 31, 2024**. On that page, you'll also find our waiver application, public notices, and the public hearing presentation.

Please do not respond to this email. The email box is not monitored and you will not receive a personal response. You are receiving this notification because you have asked to be added to the ForwardHealth Partners information list. For questions, please contact [DHS ForwardHealth Partners](#). Thank you.

#### **CONNECT WITH DHS**



**From:** ForwardHealth Communications <[forwardhealth\\_noreply@wimmis.org](mailto:forwardhealth_noreply@wimmis.org)>

**Sent:** Tuesday, October 1, 2024 2:32 PM

**To:** Cowell, Jennifer <[jennifer.cowell@gainwelltechnologies.com](mailto:jennifer.cowell@gainwelltechnologies.com)>

**Subject:** Request for Public Comment

**CAUTION:** This email originated from outside of the organization. Do not click links or open attachments unless you recognize the sender and know the content is safe.



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## Serious Mental Illness and Serious Emotional Disturbance Waiver

The public comment period for the Serious Mental Illness and Serious Emotional Disturbance Waiver is now open. Help us improve Medicaid coverage for Wisconsinites who get mental health services in an institution for mental disease. You can share your feedback from **October 1 through October 31, 2024**.

### What is the purpose of this waiver?

Federal law limits the ability of state Medicaid programs to pay for services in an institution for mental disease. Today, Wisconsin only covers these services for children under age 21 and adults 65 and older. That means that members aged 21–64 do not get the same benefits.

To remedy this situation, we are asking the Centers for Medicare & Medicaid Services (CMS) to let us add mental health coverage for members aged 21–64.



[How can I learn more?](#)

[See the public notice for details \(PDF\).](#)

Attend our public hearing to learn more. We will present an overview of the waiver and its benefits.

**Wednesday, October 9, 2024, 10:30–11:30 a.m. CT**

[Join online through Zoom](#)

Webinar ID: 161 673 1692

You can also join by phone. Dial: 669-254-5252 or 646-828-7666 or 551-285-1373 or 669-216-1590.

[How do I share my feedback?](#)

Go to our [waiver website](#) to find out how you can submit comments via mail, fax, or email. Be sure to respond by **October 31, 2024**. On that page, you'll also find our waiver application, public notices, and the public hearing presentation.

**Provider Services: 800-947-9627**

Monday–Friday, 7 a.m.–6 p.m.

[ForwardHealth Portal](#)

You can [update your preferences](#) or [unsubscribe from this list](#).

## Appendix E: Public Hearing

### Agenda



Kirsten L. Johnson  
Secretary

**State of Wisconsin**  
Department of Health Services

1 WEST WILSON STREET  
MADISON, WI 53703

## **OPEN MEETING NOTICE**

### **Division of Medicaid Services**

October 9, 2024

10:30 AM to 11:30 AM

**Join online through Zoom at** [dhs.wi.zoomgov.com/j/1616731692](https://dhs.wi.zoomgov.com/j/1616731692)

#### **Or join by phone:**

Dial: US: +1-669-254-5252 or +1-646-828-7666 or +1-551-285-1373 or +1-669-216-1590

Webinar ID: 161 673 1692

### **AGENDA**

1. Welcome and Overview, *Nicholas Di Meo, Division of Medicaid Services*
2. Presentation: Serious Mental Illness, Serious Emotional Disturbance 1115 Waiver Amendment, *Nicole Schneider, Division of Medicaid Services*
  - a. Background on the authorizing legislation, application and implementation timeline, and current Wisconsin and federal policy.
  - b. Proposed policies under the waiver.
3. Public Comment Period, *The Wisconsin Medicaid program will accept comments from the public regarding the Serious Mental Illness, Serious Emotional Disturbance 1115 Waiver Amendment. Comments may also be submitted in writing until October 31, 2024. See [dhs.wi.gov/medicaid/waiver-smised.htm](https://dhs.wi.gov/medicaid/waiver-smised.htm) for more information.*

The purpose of this meeting is to conduct the governmental business outlined in the above agenda. The Wisconsin Division of Medicaid Services is responsible for providing high-quality public health care coverage, long-term care, and other services that promote physical and mental health and well-being to over 1.3 million Wisconsin residents ([dhs.wisconsin.gov/medicaid/index.htm](https://dhs.wisconsin.gov/medicaid/index.htm)).



DHS is an equal opportunity employer and service provider. If you need accommodations because of a disability, if you need an interpreter or translator, or if you need this material in another language or in alternate format, you may request assistance to participate by contacting Nicholas Di Meo at 414-209-2061 or [DHSMedicaidSMISED@wisconsin.gov](mailto:DHSMedicaidSMISED@wisconsin.gov).

**Conference Call:** 1-669-254-5252 Passcode: 161 673 1692

## Public Hearing Presentation



### Serious Mental Illness / Serious Emotional Disturbance (SMI/SED) 1115 Waiver

Wisconsin Department of Health Services  
Division of Medicaid Services  
October 2024

Protecting and promoting the health and safety of the people of Wisconsin

### Today's Agenda

- Background and overview
- Serious mental illness /  
serious emotional  
disturbances waiver policies
- Public comment



2

### Background and Overview

### 2023 WI Act 177

Enacted March 22, 2024

- Medical Assistance coverage of services provided in an institution for mental disease to persons aged 21-64
- Submit a waiver application to CMS no later than January 1, 2025
- See [docs.legis.wisconsin.gov/2023/related/acts/177](https://docs.legis.wisconsin.gov/2023/related/acts/177)

4

### Timelines

Timeline	Activity
October 2024	Public comment
December 2024	Submit waiver application to CMS
2025 (estimated)	CMS waiver review
2026 (estimated)	CMS negotiations
2027 (estimated)	Begin implementation

5

### What is an Institution for Mental Diseases (IMD)?

- A hospital, nursing facility, or other institution with more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases\*, including medical attention, nursing care, and related services.
- Defined by the Social Security Act (SSA §1905(i)).
- Examples
  - A facility licensed or accredited as a psychiatric facility.
  - A facility in which mental disease is the current reason for institutionalization of more than 50% of the patients.

\*Includes substance use disorders and diseases listed as mental disorders in the International Classification of Diseases, with a few exceptions.

6

### Wisconsin Hospital IMDs

<b>Brown County</b> Bellin Psychiatric Center Willow Creek Behavioral Health	<b>Milwaukee County</b> Aurora Psychiatric Hospital Rogers Memorial Hospital Inc. (Brown Deer and Milwaukee) Granite Hills Hospital
<b>Dane County</b> Mendota Mental Health Institute Miramonte Behavioral Health	<b>Waukesha County</b> Rogers Memorial Hospital (Oconomowoc)
	<b>Winnebago County</b> Winnebago Mental Health Institute

7

### Current WI Medicaid IMD Coverage

- Wisconsin provides Medicaid coverage for services provided in an IMD for:
  - Children under age 21
  - Adults aged 65 and older
  - Individuals receiving residential substance use disorder treatment
- Managed care plans can cover IMD admissions for adults aged 21-64 for no more than 15 days per month:
  - In lieu of traditional psychiatric intervention services
  - In BadgerCare Plus and Medicaid for the elderly, blind, and disabled

8

## Federal Legislative History

- Historically, CMS prohibited federal Medicaid funding for services provided to some individuals in an IMD
- This "IMD exclusion" was designed to assure that states (rather than the federal government) maintained primary responsibility for funding inpatient psychiatric services

The CMS "IMD exclusion" has exceptions that allow coverage for:

- Children under age 21
- Adults 65 and older

9

## CMS Guidance

### Limitations and Restrictions

- Under this IMD waiver, state Medicaid programs may not pay for:
  - Services provided in nursing homes that qualify as IMDs.
  - Services provided to individuals under age 21 if those settings do not meet the CMS requirements to qualify for the inpatient Psychiatric Services for individuals under age 21 benefit.
  - Services in a psychiatric hospital or residential treatment facility for inmates who are involuntarily residing in the facility by operation of criminal law.
  - Room and board payments (unless facilities qualify under the Social Security Act 1905(a)).

10

## Waiver Policies

## CMS' SMI/SED Waiver Goals

- Reduced utilization and lengths of stay in EDs among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings.
- Reduced preventable readmissions to acute care hospitals and residential settings.
- Improved availability of crisis stabilization services, including services made available through call centers and mobile crisis units, intensive outpatient services, and services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings.
- Improved access to community-based services to address the chronic mental health care needs of beneficiaries with SMI or SED, including through increased integration of primary and behavioral health care.
- Improved care coordination, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.

12

## Benefits Coverage

- Wisconsin Medicaid is extending coverage for services to members aged 21 to 64 admitted to a hospital IMD primarily to treat SMI/SED
- Members in fee-for-service and managed care arrangements will be eligible
- Payment methodologies will be consistent with those approved in the Medicaid State Plan

13

## Eligibility Requirements

- Wisconsin Medicaid members enrolled in a full-benefit program between the ages of 21 and 64 who meet medical necessity will be eligible.
  - BadgerCare Plus
  - Medicaid for the Elderly, Blind, or Disabled (full-benefit plans only)
  - Foster Care Medicaid (includes Subsidized Guardianship and Adoption Assistance)
  - Well Woman Medicaid
- Members enrolled in partial-benefit programs are not eligible. Examples include:
  - SeniorCare Prescription Drug Program
  - Family Planning Only Services

14

## Care Management Requirements

- To further support members in treatment and to prevent acute crises events, the state must assure proactive identification of patients who are at risk of disengaging from treatment or who have stopped treatment and notify care teams to ensure treatment continues or resumes.
- DHS will work with providers, insurers, and the state's health information exchange, WISHIN, to promote bi-directional sharing of patient care plans.

15

## Additional Assurances and Requirements

- Participating states are expected to take actions to **maintain and enhance community-based mental health care** for individuals with SMI/SED.
- These include:
  - Ensuring **good quality of care** in IMDs
  - Improving **connections to community-based care** after stays in acute care settings
  - Ensuring a continuum of care is available to address more chronic, on-going needs and provide a full range of **crisis stabilization services**
  - Identifying and engaging people in **treatment as soon as possible**

16

## Public Comment



## Submit Comments

Written comments are welcome and will be accepted from October 1, through October 31, 2024

**Mail:**  
Waukesha State Office Building  
Department of Health Services  
Attn: Wisconsin 1115 SMI/SED Waiver  
141 NW Barstow St. Ste 125  
Waukesha, WI 53188-3789

**Fax:** 262-521-5106, Attn: Nicholas Di Meo  
**Email:** DHSMedicaidSMISED@dhs.wisconsin.gov

18

## Contacts and Resources



[DHSMedicaidSMISED@dhs.wisconsin.gov](mailto:DHSMedicaidSMISED@dhs.wisconsin.gov)



[dhs.wi.gov/medicaid/waiver-smised.htm](https://dhs.wi.gov/medicaid/waiver-smised.htm)



[medicaid.gov/medicaid/section-1115-demonstrations/serious-mental-illness-section-1115-demonstration-opportunity/index.html](https://medicaid.gov/medicaid/section-1115-demonstrations/serious-mental-illness-section-1115-demonstration-opportunity/index.html)

19

## How to Comment

We will call on people in order. Comments are limited to three minutes to allow time for everyone who wishes to speak.

### Smart Phone or Computer

- Select "Raise Hand"
- You will see a prompt to unmute when it's your turn



### Telephone

- Press \*9
- Press \*6 to unmute
- Press \*6 to mute

Minutes Remaining



20



Thank you!



WISCONSIN DEPARTMENT  
of HEALTH SERVICES

## Appendix F: Budget Neutrality Tables

### Five Years of Historic Data

<b>IMD (Adults 21-64)</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	<b>5 YEARS</b>
<b>TOTAL EXPENDITURES</b>	\$30,027,756	\$30,982,338	\$32,462,209	\$40,701,541	\$46,399,276	\$180,573,119
<b>ELIGIBLE MEMBER MONTHS</b>	20,143	19,665	21,513	21,291	22,075	
<b>PMPM COST</b>	\$1,490.73	\$1,575.51	\$1,508.96	\$1,911.68	\$2,101.89	

<b>TREND RATES</b>	<b>ANNUAL CHANGE</b>					<b>5-YEAR AVERAGE</b>
TOTAL EXPENDITURE	N/A	3.18%	4.78%	25.38%	14.00%	11.49%
ELIGIBLE MEMBER MONTHS	N/A	-2.37%	9.40%	-1.03%	3.68%	2.32%
PMPM COST	N/A	5.69%	-4.22%	26.69%	9.95%	8.97%

## Without Waiver

### Demonstration Without Waiver (WOW) Budget Projection: Coverage Costs For Populations

Eligibility					Demonstration Years (DY)					
Group	Trend Rate 1	Months of Aging	Base Year DY 2024	Trend Rate 2	DY 2025	DY 2026	DY 2027	DY 2028	DY 2029	Total WOW
<b>IMD (Adults 21-64)</b>										
<b>Pop Type:</b>	<b>Medicaid</b>									
Eligible Member Months	2.3%	10	22,501	2.3%	23,023	23,557	24,104	24,663	25,235	
PMPM Cost	9.0%	10	\$2,257.87	9.0%	\$2,460.40	\$2,681.10	\$2,921.59	\$3,183.66	\$3,469.23	
Total Expenditure					\$56,645,771	\$63,159,010	\$70,420,986	\$78,518,148	\$87,546,138	\$356,290,053

## With Waiver

### Demonstration With Waiver (WW) Budget Projection: Coverage Costs For Populations

			Demonstration Years (DY)					Total WW
Eligibility Group	DY 2024	Demo Trend Rate	DY 2025	DY 2026	DY 2027	DY 2028	DY 2029	
<b>IMD (Adults 21-64)</b>								
<b>Pop Type:</b>	<b>Medicaid</b>							
Eligible Member Months	22,501	2.3%	23,023	23,557	24,104	24,663	25,235	
PMPM Cost	\$2,257.87	9.0%	\$2,460.40	\$2,681.10	\$2,921.59	\$3,183.66	\$3,469.23	
Total Expenditure			\$56,645,771	\$63,159,010	\$70,420,986	\$78,518,148	\$87,546,138	\$356,290,053

## Budget Neutrality Summary

<b><u>Without-Waiver Total Expenditures</u></b>						
	<b>DEMONSTRATION YEARS (DY)</b>					<b>TOTAL</b>
	<b>DY 01</b>	<b>DY 02</b>	<b>DY 03</b>	<b>DY 04</b>	<b>DY 05</b>	
<b><u>Medicaid Populations</u></b>						
<b>IMD (Adults 21-64)</b>	\$56,645,771	\$63,159,010	\$70,420,986	\$78,518,148	\$87,546,138	\$356,290,053
<b>TOTAL</b>	\$56,645,771	\$63,159,010	\$70,420,986	\$78,518,148	\$87,546,138	\$356,290,053
<b><u>With-Waiver Total Expenditures</u></b>						
	<b>DEMONSTRATION YEARS (DY)</b>					<b>TOTAL</b>
	<b>DY 01</b>	<b>DY 02</b>	<b>DY 03</b>	<b>DY 04</b>	<b>DY 05</b>	
<b><u>Medicaid Populations</u></b>						
<b>IMD (Adults 21-64)</b>	\$56,645,771	\$63,159,010	\$70,420,986	\$78,518,148	\$87,546,138	\$356,290,053
<b>TOTAL</b>	\$56,645,771	\$63,159,010	\$70,420,986	\$78,518,148	\$87,546,138	\$356,290,053
<b>VARIANCE</b>	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0