Section 1115 Quarterly Report Summary

Demonstration Year:
6 (1/1/2019 – 12/31/2019)

Federal Fiscal Quarter:
3 (7/1/2019 – 9/30/2019)
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Introduction

The Wisconsin BadgerCare Reform demonstration provides state plan benefits to childless adults who have family incomes up to 95 percent of the Federal Poverty Level (FPL) (effectively 100 percent of the FPL considering a disregard of 5 percent of income), and permits the state to charge premiums to adults who are only eligible for Medicaid through the Transitional Medical Assistance eligibility group (hereinafter referred to as “TMA Adults”) with incomes above 133 percent of the FPL starting from the first day of enrollment and to TMA Adults from 100-133 percent of the FPL after the first 6 calendar months of TMA coverage.

The demonstration will allow the state to provide health care coverage for the childless adult population at or below an effective income of 100 percent of the FPL with a focus on improving health outcomes, reducing unnecessary services, and improving the cost-effectiveness of Medicaid services. Additionally, the demonstration will enable the state to test the impact of providing TMA to individuals who are paying a premium that aligns with the insurance affordability program in the Marketplace based upon their household income when compared to the FPL.

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

- Ensure every Wisconsin resident has access to affordable health insurance and reduce the state’s uninsured rate.
- Provide a standard set of comprehensive benefits for low income individuals that will lead to improved healthcare outcomes.
- Create a program that is sustainable so Wisconsin’s healthcare safety net is available to those who need it most.

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

Enrollment and Benefits Information

Childless Adults (Population Group 2) - In the third quarter of demonstration year 6 the number of unique program participants increased slightly. From the prior quarter the total number of unique program participants increased from 167,207 to 168,205. Total monthly enrollment increased from the prior quarter with 152,428 childless adults in July 2019 and 152,827 childless adults in September 2019.

Transitional Medical Assistance (TMA) Adults (Population Group 1) - In the third quarter of demonstration year 6 the number of unique program participants increased. From the prior quarter the total number of unique program participants increased from 34,492 to 37,385. Total monthly enrollment increased from the prior quarter with 28,424 TMA adults in July 2019 and 30,082 in September 2019.
Per the terms of the demonstration waiver amendment that was approved by CMS on October 31, 2018, after December 31, 2018, the state no longer has the authority to charge premiums to the TMA Adult population through the demonstration. As expected, no TMA adults were dis-enrolled for failure to pay premiums in the last quarter.

The DHS has not identified any issues related to access to care or delivery of benefits given the current enrollment trends and will continue to monitor.

<table>
<thead>
<tr>
<th>Demonstration Populations</th>
<th>Total Number of Demonstration Participants Quarter Ending – 09/30/2019**</th>
<th>Current Enrollees (year to date)**</th>
<th>Disenrolled in Current Quarter</th>
<th>TMA Adults Disenrolled Due to Non-Payment of Premiums (current quarter)***</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC Reform Adults</td>
<td>168,205</td>
<td>207,788</td>
<td>16,902</td>
<td>0</td>
</tr>
<tr>
<td>Transitional Medical Assistance (TMA) Adults</td>
<td>37,385</td>
<td>54,179</td>
<td>4,079</td>
<td>0</td>
</tr>
</tbody>
</table>

*Reflects total unduplicated count of members enrolled during the demonstration quarter.  **Reflects total unduplicated count of members enrolled during the demonstration year.  ***Disenrollment does not reflect those who maintained eligibility after the closure month for any benefit plan.

<table>
<thead>
<tr>
<th>Eligibility Group</th>
<th>Month 1 (July 2019)</th>
<th>Month 2 (August 2019)</th>
<th>Month 3 (September 2019)</th>
<th>Total for Quarter Ending 09/2019</th>
</tr>
</thead>
<tbody>
<tr>
<td>BC Reform Adults</td>
<td>152,428</td>
<td>153,210</td>
<td>152,837</td>
<td>458,465</td>
</tr>
<tr>
<td>Transitional Medical Assistance (TMA) Adults</td>
<td>28,424</td>
<td>29,104</td>
<td>30,082</td>
<td>87,610</td>
</tr>
</tbody>
</table>

**Childless Adult and TMA Re-Enrollment Statistics**

In September 2015 CMS requested that Wisconsin analyze the demonstration groups to identify how many members had been disenrolled and subsequently regained program eligibility.

In providing these statistics we included those members that regained full-benefit eligibility within 12 months of the current reporting quarter. The statistics provided below include those childless adult and TMA members who were disenrolled since April 2014 (the start of the demonstration) and were enrolled in the fourth quarter of demonstration year 5.

While program enrollment has stabilized within demonstration population groups, the childless adult population (group 2) decreased by 0.18% and the TMA adult population (group 1) increased by .08% in re-enrollments from the prior quarter.
Outreach/Innovative Activities to Assure Access

All HMOs serving BadgerCare Plus members, which includes members of this demonstration waiver population, but are not limited to the demonstration population, are required to submit their member communication and outreach plans to the DHS for review. All materials are reviewed and approved by the DHS prior to distribution to members. Such materials include HMO-developed member handbooks, HMO-developed new member enrollment materials, and HMO-developed brochures.

Wisconsin BadgerCare Reform section 1115 demonstration
Approval Period: January 1, 2014 through December 31, 2019  Page 5 of 15
The DHS also contracts with the City of Milwaukee Health Department to focus on outreach to current and prospective BadgerCare Plus members in Milwaukee County. As part of this agreement, staff is available at multiple locations throughout the county, including Milwaukee Health Department sites, in order to provide assistance with ACCESS applications and renewals, as well as with other enrollment and eligibility troubleshooting.
Collection and Verification of Encounter Data and Enrollment Data

Following is a summary of the quarterly managed care enrollment. Enrollment for the quarter shows approximately 85% of all childless adults enrolled in managed care which is comparable with managed care enrollment for other BadgerCare Plus populations. Managed care enrollment for the current quarter has increased by over 600 members from the prior quarter. As of January 1, 2019 Physicians Plus merged with Quartz so enrollment is now reported under Quartz.

<table>
<thead>
<tr>
<th>BadgerCarePlus HMO Childless Adult Enrollment</th>
<th>19 Jan</th>
<th>19 Mar</th>
<th>19 Apr</th>
<th>19 May</th>
<th>19 Jun</th>
<th>19 Jul</th>
<th>19 Aug</th>
<th>19 Sep</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthem Blue Cross Blue Shield</td>
<td>18,799</td>
<td>19,336</td>
<td>19,481</td>
<td>19,546</td>
<td>19,623</td>
<td>19,694</td>
<td>20,072</td>
<td>20,216</td>
</tr>
<tr>
<td>Children's Community Health Plan</td>
<td>11,431</td>
<td>11,528</td>
<td>11,492</td>
<td>11,561</td>
<td>11,733</td>
<td>11,607</td>
<td>11,879</td>
<td>11,973</td>
</tr>
<tr>
<td>Dean Health Plan</td>
<td>4,347</td>
<td>4,477</td>
<td>4,373</td>
<td>4,421</td>
<td>4,450</td>
<td>4,440</td>
<td>4,482</td>
<td>4,500</td>
</tr>
<tr>
<td>Group Health Eau Claire</td>
<td>7,213</td>
<td>7,154</td>
<td>7,082</td>
<td>7,059</td>
<td>7,006</td>
<td>6,913</td>
<td>6,934</td>
<td>6,845</td>
</tr>
<tr>
<td>Group Health South Central</td>
<td>1,572</td>
<td>1,604</td>
<td>1,577</td>
<td>1,562</td>
<td>1,557</td>
<td>1,535</td>
<td>1,545</td>
<td>1,531</td>
</tr>
<tr>
<td>iCare</td>
<td>6,680</td>
<td>6,659</td>
<td>6,557</td>
<td>6,673</td>
<td>6,599</td>
<td>6,545</td>
<td>6,671</td>
<td>6,666</td>
</tr>
<tr>
<td>Managed Health Services</td>
<td>8,450</td>
<td>8,715</td>
<td>8,692</td>
<td>8,826</td>
<td>8,865</td>
<td>8,835</td>
<td>8,040</td>
<td>8,051</td>
</tr>
<tr>
<td>Mercy</td>
<td>1,949</td>
<td>1,996</td>
<td>2,003</td>
<td>2,048</td>
<td>2,011</td>
<td>2,034</td>
<td>8,959</td>
<td>9,011</td>
</tr>
<tr>
<td>Molina</td>
<td>7,946</td>
<td>8,031</td>
<td>7,959</td>
<td>8,083</td>
<td>8,073</td>
<td>8,025</td>
<td>8,151</td>
<td>8,201</td>
</tr>
<tr>
<td>Network</td>
<td>8,354</td>
<td>8,555</td>
<td>8,575</td>
<td>8,743</td>
<td>8,726</td>
<td>8,726</td>
<td>8,867</td>
<td>8,904</td>
</tr>
<tr>
<td>physicians Plus</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Quartz</td>
<td>6,032</td>
<td>6,161</td>
<td>6,096</td>
<td>6,114</td>
<td>6,077</td>
<td>6,003</td>
<td>6,033</td>
<td>6,064</td>
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<tr>
<td>Security</td>
<td>8,886</td>
<td>9,146</td>
<td>9,157</td>
<td>9,167</td>
<td>9,117</td>
<td>9,063</td>
<td>9,084</td>
<td>9,027</td>
</tr>
<tr>
<td>Trilogy</td>
<td>4,218</td>
<td>4,314</td>
<td>4,271</td>
<td>4,408</td>
<td>4,459</td>
<td>4,418</td>
<td>4,577</td>
<td>4,611</td>
</tr>
<tr>
<td>United Health</td>
<td>31,143</td>
<td>31,803</td>
<td>31,753</td>
<td>31,952</td>
<td>31,863</td>
<td>31,696</td>
<td>31,978</td>
<td>31,895</td>
</tr>
<tr>
<td>Total</td>
<td>127,010</td>
<td>129,547</td>
<td>129,057</td>
<td>130,245</td>
<td>130,149</td>
<td>129,536</td>
<td>131,342</td>
<td>131,437</td>
</tr>
</tbody>
</table>

Operational/Policy/Systems/Fiscal Developments/Issues

The state has not identified program developments/issues/problems that have occurred in the current quarter or are anticipated to occur in the near future that affect health care delivery, quality of care, approval and contracting with new plans, health plan contract compliance and financial performance relevant to the demonstration, fiscal issues, systems issues, and pertinent legislative or litigation activity.

Financial/Budget Neutrality Development/Issues

The state has not identified any significant developments/issues/problems with financial accounting, budget neutrality, and CMS 64 and budget neutrality reporting for the current quarter.

Please see Attachment A for a copy of the budget neutrality workbook.

The chart provides monthly and quarterly enrollment and expenditure data for the BadgerCare Plus Reform Adult Waiver since its inception in April 2014 through March 2018. This data is compared to the childless adult CORE baseline from April 2013 through March 2014 for budget neutrality purposes.

The data shows waiver enrollment increasing each month from April 2014 to March 2015. Childless adult waiver enrollment has remained relatively stable since March 2015.
The monthly managed care enrollment growth rate peaked in March 2015, reflecting the systematic transition of enrollees from FFS to managed care. Managed care enrollees also declined starting in April 2015.

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

**Consumer Issues**
Consumers have not reported any significant issues related to coverage and/or access to the program and benefits in the current quarter.

**Quality Assurance/Monitoring Activity**
The DHS consistently monitors activities using a systematic approach that ensures services for all BadgerCare Plus (BC+) populations are reviewed for quality assurance.

In this quarter, DHS conducted the following activities:

*Obstetric Medical Home Initiative (OBMH) for High-Risk Pregnant Women*- The OBMH provides a patient-centered, comprehensive, and coordinated care delivery model to order to improve healthy births outcomes amongst high-risk pregnant women. The OBMH is available to high-risk pregnant women in Milwaukee, Madison, and the surrounding suburban metro counties; with a high-risk pregnant women being defined as a member that meets one or more of the following criteria:

- Listed on the Department’s Birth Outcome Registry Network (BORN) of high-risk women
- Less than 18 years of age
- African American
- Homeless
- Have a chronic medical or behavioral health condition which the obstetric care provider determines would negatively impact the outcome of the pregnancy

HMOs and clinics are expected to provide participants with enhanced care coordination in order to increase the likelihood of a healthy birth. Participating clinics can receive enhanced payments for their role in meeting certain care coordination standards and for healthy birth outcomes. The standards for enhanced payment are:

- A pregnancy-related appointment with a health care provider within the first 16 weeks of pregnancy. Enrollment in the OB Medical Home within 20 weeks of pregnancy
- Attended a minimum of 10 medical prenatal care appointments with the OB care provider
- A member centric, comprehensive care plan that has been reviewed by the member and, at minimum, the OB provider
- Continuous enrollment in the OB medical home during pregnancy
- Continuous enrollment through 60 days postpartum, including the date of the scheduled 60 day medical postpartum visit.
Clinics receive an enhanced payment of $1,000 per birth if the above standards are met. Clinics can receive an additional enhanced payment of $1,000 per birth if the birth is healthy; poor birth outcomes are defined as:

- Preterm birth – gestational age less than 37 weeks
- Low birth weight – birth weight less than 2,500 grams (5 lbs. 8 oz.)
- Neonatal/early neonatal death – death of a live-born infant within the first 28 days of life
- Stillbirth – a fetal demise after 20 weeks gestation

The EQRO maintains the OBMH electronic birth registry on an ongoing basis. The EQRO completed its preliminary record review for Q1 2019 during Q3 2019.

**Performance Improvement Projects (PIPs)** - HMOs are required to undertake performance improvement projects annually, in order to address the specific needs of the HMO’s enrolled population. The PIPs may include clinical and non-clinical performance areas that are expected to have a favorable effect on health outcomes and enrollee satisfaction.

- HMOs that serve only the BC+ population are required to submit two PIP proposals on two different BC+ topics.
- HMOs that serve both the BC+ and SSI population are required to submit two PIP proposals on two different topics – either one PIP specific to each population or both PIPs must include both populations.

Health plans should submit PIPs which use objective quality indicators to measure the effectiveness of the interventions. The HMO must submit a preliminary PIP proposal summary that meets the PIP guidelines issued by the EQRO, the study question/project aims with a measurable goal, study indicators, study population, sampling methods if applicable, data collection procedures, improvement strategies, sustained improvement plan, and the prospective data analysis plan.

The State and the EQRO will review the preliminary PIP proposals and meet with the HMO to give feedback to the HMO on the PIP proposal. After implementing the PIP over one calendar year, the HMO must submit to the EQRO their completed PIP. The EQRO will schedule a conference call with the HMO to review the EQRO feedback on the final PIP report. The EQRO completed PIP validation for CY2019 during Q3 2019.

**External Quality Review Activities (EQRO)** - The following are the current Q3 2019 activities completed by the External Quality Review Organization (EQRO) – MetaStar for the HMOs operating the BadgerCare+ program.

- Completed Selection 31 of OBMH record reviews.
- Completed validation of 32 BC+ HMO PIP projects.

**Managed Care Reporting Requirements**

Starting April 1, 2014 childless adults were enrolled in BadgerCare Plus fee-for-service benefits. Starting in July 2014 the state began enrolling childless adults into managed care with an average of 20,000 members in each month until all new members have been enrolled in managed care as applicable.
HMOs are required to report to the DHS on the status of quality initiatives, PIPs, and other programmatic requirements.

**Demonstration Evaluation**
On November 12, 2014, the Centers for Medicare and Medicaid Services (CMS) approved the Department of Health Services (DHS) evaluation plan. The DHS has incorporated the approved evaluation plan as Attachment C.

The DHS has signed an interagency agreement and contracted with the UW Population Health Institute to conduct the evaluation. DHS and the UW began work on the evaluation September 1, 2015. The UW’s Scope of Work and Workplan are included as Attachment E.

During the third quarter of demonstration year 3 DHS and the UW Population Health Institute also discussed suggested modifications to the CMS approved evaluation design. Included in Attachment C are the following documents:

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

DHS and the UW Population Health Institute are incorporating these modifications into the second survey and final evaluation report that will be issued in the second quarter of 2019.

**State Contact(s)**
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Division of Medicaid Services
Wisconsin Department of Health Services
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Madison, WI 53701-0309
Tel: 608-261-7838, e-mail: Emily.Loman@dhs.wisconsin.gov
Attachment A – Budget Neutrality Monitoring Workbook
Attachment B – Summary of Premiums for TMA Adults Only

Individuals affected by, or eligible under, the demonstration will be responsible for premium payments in accordance with the table below. The sunset date for these premiums was December 31, 2018. Therefore, beginning in the first quarter of demonstration year 6, TMA adults are no longer responsible for premium payments.

TMA Adults (Demonstration Population 1)

<table>
<thead>
<tr>
<th>Monthly Premium Amount Based on FPL Percentage</th>
<th>Monthly Premium Amount as Percentage of Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>100.01 – 132.99%</td>
<td>2.0%</td>
</tr>
<tr>
<td>133 – 139.99%</td>
<td>3.0%</td>
</tr>
<tr>
<td>140 – 149.99%</td>
<td>3.5%</td>
</tr>
<tr>
<td>150 – 159.99%</td>
<td>4.0%</td>
</tr>
<tr>
<td>160 – 169.99%</td>
<td>4.5%</td>
</tr>
<tr>
<td>170 – 179.99%</td>
<td>4.9%</td>
</tr>
<tr>
<td>180 – 189.99%</td>
<td>5.4%</td>
</tr>
<tr>
<td>190 – 199.99%</td>
<td>5.8%</td>
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<tr>
<td>200 – 209.99%</td>
<td>6.3%</td>
</tr>
<tr>
<td>210 – 219.99%</td>
<td>6.7%</td>
</tr>
<tr>
<td>220 – 229.99%</td>
<td>7.0%</td>
</tr>
<tr>
<td>230 – 239.99%</td>
<td>7.4%</td>
</tr>
<tr>
<td>240 – 249.99%</td>
<td>7.7%</td>
</tr>
<tr>
<td>250 – 259.99%</td>
<td>8.05%</td>
</tr>
<tr>
<td>260 – 269.99%</td>
<td>8.3%</td>
</tr>
<tr>
<td>270 – 279.99%</td>
<td>8.6%</td>
</tr>
<tr>
<td>280 – 289.99%</td>
<td>8.9%</td>
</tr>
<tr>
<td>290 – 299.99%</td>
<td>9.2%</td>
</tr>
<tr>
<td>300% and above</td>
<td>9.5%</td>
</tr>
</tbody>
</table>
Attachment C – Demonstration Evaluation Plan & Approved Modifications

WI BadgerCare Reform Final Approved Evaluation Design.pdf
Suggested Modifications to Approved Evaluation Design.pdf
Evaluation Design Change Summary Crosswalk.pdf
CMS Comments and Questions on Suggested Modifications.docx
Wisconsin Response to CMS Comments and Questions.pdf
Attachment E – University of Wisconsin Scope of Work & Project Work Plan