

## **Wisconsin Department of Health Services**

### **Section 1115 BadgerCare Reform Demonstration Project Waiver Amendment**

#### **Overview**

The Department of Health Services (DHS) intends to submit an application to the Centers for Medicare and Medicaid Services (CMS) on May 26, 2017, requesting an amendment to certain provisions of its Section 1115 Demonstration Waiver, known as the BadgerCare Reform Demonstration Waiver. DHS is requesting the amendment based on changes in state law under 2015 Wisconsin Act 55. DHS must obtain approval from CMS before these changes can take effect.

Specific proposed changes to the childless adult (CLA) population include:

**1. Monthly Premiums:** Establishing monthly premiums help to increase the sustainability and value of health care in the state. Monthly premiums will range from \$1 to \$10 per household according to household income. Members with household incomes of 0 to 20 percent of the federal poverty level will not have a monthly premium.

**2. Healthy Behavior Incentives:** Members will have the opportunity to have their monthly premiums reduced by 50 percent if they engage in healthy behaviors. Those engaged in behaviors that increase their health risk will owe the full standard premium. Additionally, to promote appropriate use of health care services and behavior that is mindful of health care value, members who utilize the emergency room (ER) will be responsible for an \$8 copay for the first visit and a \$25 copay for subsequent visits over a 12-month period.

**3. Health Risk Assessment (HRA):** The HRA is a questionnaire that will be used to identify healthy behavior and health risks for improved understanding of the health needs of members. HRA completion is not a condition of eligibility; however, members will pay the full standard premium until they complete the HRA.

**4. Time Limit on Medicaid Eligibility:** This policy is a 48-month eligibility limit for members using a cumulative formula. After 48 months of enrollment, a member will not be eligible for health care benefits for six months. The time in which a member is working or participating in an employment and training program for at least 80 hours a month will not be included in their 48-month eligibility limit. This work component applies to members ages 19-49. Exemptions from the work component and time limit will align with the FoodShare Employment and Training (FSET) program (for example, individuals with mental illness, disabilities, and full-time student). Members over age 49 will not be subject to the 48-month eligibility limit.

**5. Substance Abuse Identification and Treatment:** Substance Use Disorder (SUD) is a significant public health risk and a barrier to health, welfare, and economic achievement of residents. The policy requires individuals to complete a drug screening assessment and, if indicated, a drug test, but individuals will not be ineligible for benefits for testing positive. Individuals who do test positive for a drug will be referred to a SUD treatment program. Members who fail to complete a drug screening assessment or drug test will be ineligible for

benefits until the requirement is completed. Refusal to participate in a SUD treatment program will result in ineligibility for benefits for six months.

Proposed benefit change for all BadgerCare Plus and Medicaid members:

**6. Residential Treatment Coverage:** Expanding treatment for SUD is critical to combating a statewide drug abuse epidemic. Under current policy, WI Medicaid does not provide full coverage of residential SUD treatment. DHS recognizes the barrier this presents for individuals who require SUD treatment and is designing a benefit to provide full coverage of residential treatment. In order to effectively implement this benefit, however, federal Medicaid funding must be made available to reimburse residential SUD treatment for individuals in facilities that qualify as institutions for mental diseases (IMD). As such, DHS is requesting a residential SUD treatment waiver of the federal exclusion for IMD reimbursement. Additionally, DHS is requesting a waiver of the 15-day limit for IMD coverage found in Medicaid managed care regulations.

### **Public Comment**

Providing information and obtaining input on changes from the public is of high importance for DHS as we prepare to submit the amendment request. By law, you have the opportunity to review the official waiver amendment application and provide comments for 30 days starting on April 19, 2017, and ending on May 19, 2017. You may also provide comments through written or verbal statements made during public hearings (see below). Public comments will be included in the waiver request submitted to CMS on May 26, 2017, and will be available on DHS's website at the address listed below.

### **Public Hearings**

Wednesday, April 26, 2017  
11:00 a.m. – 2:00 p.m.  
Northcentral Technical College  
Auditorium 1004  
1000 W. Campus Dr.  
Wausau, WI 54401

Monday, May 1, 2017  
4:00 p.m. – 7:00 p.m.  
Milwaukee Center for Independence  
MCFI Main Campus, Harry and Jeanette Weinberg Building  
2020 W. Wells St.  
Milwaukee, WI 53233

### **Copies of Waiver Documents**

Copies of waiver documents, including the full public notice, which will be posted on April 19, 2017, and the final waiver amendment application once complete, may be obtained from DHS at no charge by downloading the documents at <https://www.dhs.wisconsin.gov/badgercareplus/waivers-cla.htm> or by contacting Al Matano at:

Mail: Al Matano  
Division of Medicaid Services  
P.O. Box 309  
Madison, WI 53707-0309  
Phone: 608-267-6848  
Fax: 608-266-3205  
Email: [Alfred.Matano@dhs.wisconsin.gov](mailto:Alfred.Matano@dhs.wisconsin.gov)

**Written Comments**

Written comments on the proposed changes are welcome and will be accepted from April 19, 2017, through May 19, 2017. Written comments may be sent to the Division of Medicaid Services at:

Fax: 608-266-1096  
Email: [Wisconsin1115CLAWaiver@dhs.wisconsin.gov](mailto:Wisconsin1115CLAWaiver@dhs.wisconsin.gov)  
Mail: P.O. Box 309, Madison, WI 53707-0309