



Health Insurance for Childless Adults Waiver Proposal

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BadgerCare Plus Health Insurance for Childless Adults Waiver Proposal

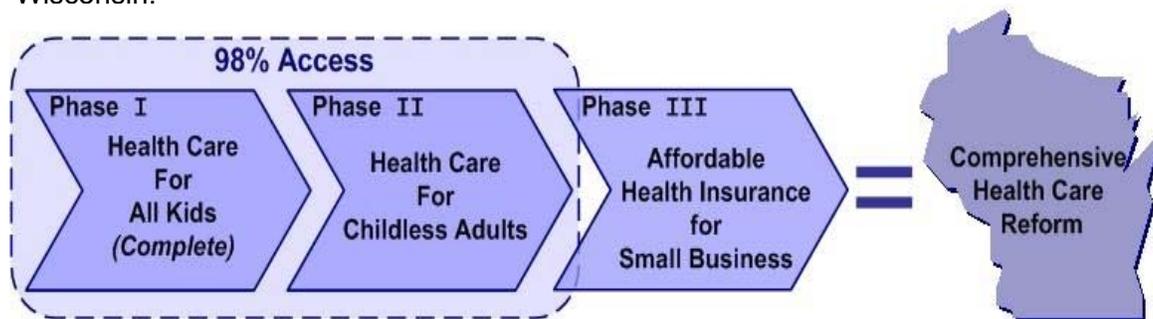
Wisconsin Department of Health Services

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EXECUTIVE SUMMARY

This proposal outlines Wisconsin's plan to expand the new and innovative BadgerCare Plus program to low-income childless adults. Health insurance for childless adults is the second step in a comprehensive strategy to ensure access to affordable health insurance for virtually all Wisconsin residents as well as improve access to affordable health insurance for small businesses and self-employed individuals throughout the State. Wisconsin is well positioned to lead the nation both in terms of health insurance access as well as overall health care reform. The graphic below depicts the three phases of health care reform in Wisconsin.



Low-income childless adults are the most chronically uninsured people in Wisconsin. They are individuals and married couples between the ages of 19 and 64 who are not pregnant, disabled, or qualified for any other Medicaid, Medicare or SCHIP program. They have income that does not exceed 200% of the federal poverty level (FPL) and do not have any children under age 19 under their care. While 60% of them work, they do not have access to employer subsidized insurance. With the expansion of BadgerCare Plus, an estimated 81,000 uninsured childless adults will have access to affordable health insurance beginning January 1, 2009.

On February 1, 2008, BadgerCare Plus was successfully launched. This new program has effectively expanded access to affordable health care to all uninsured children in Wisconsin. It also made more pregnant women, parents and caretaker relatives eligible and streamlined the eligibility process for everyone. On its first day of operation, the program extended health insurance coverage to 42,000 previously uninsured individuals. Almost 60% of these initial enrollees were children. This increase in coverage for Wisconsin children builds on the State's strong track record of ensuring that 92% of all children have health insurance.

A key component of this second phase of reform will be the creation of BadgerChoice, an innovative new front door to health care in Wisconsin. BadgerChoice will be a virtual health insurance connector for childless adults. Unlike most BadgerCare Plus members who currently access the program through county welfare offices, childless adults will be the first to access services through the new centralized BadgerChoice Support Center. Wisconsin's goal is to empower childless adults to choose from a variety of health insurance options either through the Internet or over the telephone. Eventually, BadgerChoice will

be used by all BadgerCare Plus members. As envisioned by Governor Doyle, BadgerChoice will also eventually connect private health insurance plans with small businesses and their employees by creating a virtual health insurance marketplace.

Childless adults enrolled in BadgerCare Plus will have access to basic health care services including primary and preventive care and generic drugs in the form of a Core benefit plan. Childless adults will pay nominal co-payments for non-institutional services and \$5 for generic drugs. The Core benefit will be much less comprehensive than traditional Medicaid, however, it will cover primary and preventive care. An employer or other public entity such as a county or tribe can choose to enhance the Core benefit (through a defined contribution) for a member by purchasing the Core Plus benefit. The Core Plus benefit will include additional limited services which could include vision, dental, chiropractic, and outpatient mental health and substance abuse services.

Childless adults will choose from the private managed care plans that serve Wisconsin's Medicaid and BadgerCare Plus population. At this time, there are fourteen private managed care plans from which to choose. Wisconsin will utilize the private HMOs currently under contract with the State to provide program participants with access, not only to direct health care services, but also to provide care management and disease management services. HMOs will be held accountable for participant health outcomes through the State's aggressive Pay for Performance (P4P) strategy now being developed and implemented within BadgerCare Plus.

The State's pay for performance strategy for all Medicaid and SCHIP populations is a means to hold HMOs accountable for health outcomes. The State's calendar year 2009 pay for performance strategy is a tiered approach that requires HMOs to meet minimum thresholds in seven performance metrics, maintain specific maintenance of effort requirements in identified focus areas, and target improvement to meet performance goals in an identified focus area.

Wisconsin will form a new Clinical Advisory Committee on Health and Emerging Technology (CACHET) that will advise the State on how best to structure the health insurance benefit so as to meet the needs of the population as well as control costs. The CACHET will consist of health care professionals from across Wisconsin and across health care disciplines. The CACHET will also create criteria for tiering HMOs based on quality and cost-effectiveness. Wisconsin believes that this will be the first time any state has attempted to tier health plans within Medicaid.

It is expected that CACHET will meet twice per year. If CACHET recommends any changes to the benefit package, those recommendations will be forwarded to the Department Secretary. If the Secretary agrees with CACHET's recommendations, no statutory language or other legislative approvals would be necessary unless the recommendations would cause the benefit package to exceed the benefits available under the BadgerCare Plus Benchmark Plan.

The benefit for childless adults is not an entitlement. Childless adults will pay an annual application fee that will be used to fund administrative costs, including

collection of program participant's fees, producing and distributing enrollment cards, responding to client inquires, developing and processing applications, determining eligibility, and evaluation and monitoring of the demonstration waiver. This fee is not refundable and will be discounted if the applicant chooses a more cost effective Tier 1 HMO. The higher application fees for less cost-effective plans will ensure that health care consumers are better informed and will create an incentive for HMOs to become more cost-effective.

BadgerCare Plus for childless adults will be data driven and will focus on health outcomes. Childless adults will be required, as a condition of enrollment, to complete Wisconsin's Health Needs Assessment (HNA) so the State can help match them with health plans and providers that best meet their needs. The HNA will also allow the State to gather baseline data on the health status of childless adults about whom we have very little hard data. The Department's procedures for the electronic exchange of health information will maintain privacy and security in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191 sections 261 through 264.

Enrollees will also be required to obtain a physical exam within the first certification period (generally within one year after enrolling in BadgerCare Plus). The Department will identify whether an individual has met the physical exam requirement through data submitted by HMOs or providers. Information on whether an exam was performed would be transmitted to the automated eligibility system, CARES, so that this information would be available at recertification. Failure to obtain the physical exam will result in a six-month waiting period before the individual can renew their membership in BadgerCare Plus, unless a good cause reason exists.

Wisconsin proposes to meet budget neutrality requirements for this expansion by utilizing its current Disproportionate Share Hospital allotment. Savings will more than pay for the cost of providing this benefit, and bringing childless adults into BadgerCare Plus is consistent with the stated goals of the Bush Administration to recast DSH payments into additional primary and preventive health care for vulnerable populations. This proposal demonstrates that the BadgerCare Plus waiver can be budget neutral over the five year demonstration period and in each year of the demonstration.

A key element of the plan is to convert the existing Disproportionate Share Hospital (DSH) payment program into a limited primary and preventive health care benefit for some of Wisconsin's poorest residents. Among the 81,000 childless adults are an estimated 15,000 individuals currently enrolled in the General Assistance Medical Program (GAMP) in Milwaukee County. GAMP provides some primary care services and reimburses hospitals for inpatient costs. BadgerCare Plus will replace GAMP. There are 26 other Wisconsin counties that operate General Assistance Medical Programs (See Appendix F for additional details). In the last calendar year for which data was available, there were approximately 1,000 individuals enrolled in county general assistance medical programs (other than Milwaukee County) at some point during the year. Annual expenditures for those programs were approximately \$460,000 (all funds).

Individuals enrolled in GAMP and the other 26 counties' general assistance (GA) medical programs on December 12, 2008 will be automatically enrolled into BadgerCare Plus effective January 1, 2009. Statewide implementation will begin on March 1, 2009 when the BadgerChoice Support Center begins processing applications for April 1, 2009 enrollment.

Wisconsin plans to conduct a rigorous external evaluation of the expansion to childless adults. The State will determine how closely we have come to meeting Governor's Doyle's goal of providing 98% of the state's population with access to affordable health care coverage. Wisconsin will also compare the effectiveness of this expansion to GAMP in terms of moving to primary and preventive care and away from disproportionate share payments to providers for uncompensated care. The evaluation will be developed in partnership with the University of Wisconsin Population Health Institute. The Institute has been involved in the design of BadgerCare Plus and is currently evaluating the program's expansion to all children, parents and pregnant women.

Wisconsin intends to retain our current BadgerCare demonstration project waiver, which allows for certain insurance "crowd out" policies to be applied in determining the eligibility of certain parents and children, and to obtain approval for a new demonstration project waiver under section 1115(a) of the Social Security Act for the coverage of childless adults under BadgerCare Plus.

STRATEGIC ALIGNMENT

In his 2006 State of the State address, Wisconsin Governor Doyle announced his goal to provide access to affordable health care to all kids and to streamline enrollment. In his 2007 State of the State address, the Governor announced the expansion to childless adults leading to affordable health care access for 98% of Wisconsin's population. Implementation of BadgerCare Plus, which expanded coverage for children and streamlined enrollment, was the first step in achieving this goal.

Governor Doyle used his 2008 State of the State address on January 23, 2008, to announce another important health care initiative, the creation of BadgerChoice. BadgerChoice will be a new front door to health care in Wisconsin, beginning with childless adults. This group will be the first population to use BadgerChoice to enroll in BadgerCare Plus.

The State will use a variety of strategies to achieve Governor Doyle's goal. Under this proposal, BadgerCare Plus will significantly increase access to affordable quality health care for an estimated 81,000 Wisconsin residents currently uninsured.

PROJECT APPROACH

Wisconsin Governor Jim Doyle initially charged the Department of Health Services with designing a comprehensive health care program that would serve all Wisconsin children. The new program, BadgerCare Plus, was implemented on February 1, 2008. Wisconsin proposes to further expand BadgerCare Plus to provide access to affordable health care to childless adults.

Implementation of BadgerCare Plus in 2008 and the expansion to childless adults in 2009 are the first two phases of comprehensive health care reform in Wisconsin. The final phase will be affordable health insurance for small businesses.

An internal Steering Committee was formed with numerous workgroups involved in developing option papers on a wide range of issues. Regular meetings of the BadgerCare Plus Steering Committee were held resulting in this waiver proposal. In addition, all Steering Committee recommendations have been discussed with the BadgerCare Plus Advisors Group (see *Public Involvement—Advisors Group* section). Their comments and suggestions have been incorporated into this proposal.

The Department has identified a team of key leaders to work closely with CMS to obtain federal approval to provide coverage to childless adults under BadgerCare Plus beginning in January 2009. The State Legislature has given the Department the statutory authority to seek a waiver of federal law to expand BadgerCare Plus to childless adults and, upon receiving federal approval, to implement the program.

UNINSURED CHILDLESS ADULTS IN WISCONSIN

Wisconsin has a proud tradition of offering its residents access to comprehensive health care services through employers and public programs. Still, far too many people do not have access to affordable health insurance, and subsequently, lack access to quality health care. The inability to access affordable health insurance affects all residents through higher health care costs over time, higher insurance premiums and cost-sharing, and an increased burden on public programs.

Childless adults eligible for BadgerCare Plus are individuals between the ages of 19 and 64 with income below 200% of the FPL. They are not eligible for Medicaid or BadgerCare Plus on the basis of pregnancy or disability. Childless adults may have children, but either their minor children are not currently living with them or those children living with them are 19 years of age or older.

The Wisconsin Family Health Survey estimates that there were 66,000 uninsured childless adults in Wisconsin¹ with incomes that did not exceed 200% FPL in 2005. In addition, there are approximately 15,000 childless adults enrolled in GAMP. The characteristics of Wisconsin's childless adults are as follows:

- 81% are between the ages of 19 and 54
- 18% are ages 55 to 64
- 61% are men
- 70% are not married
- 22% live in Milwaukee County
- 60% are employed at least part-time
- 37% report a chronic health condition

¹ 2006 Wisconsin Family Health Survey, Bureau of Health Information Policy, Division of Public Health, Department of Health and Family Services.

- 49% have not had a health check up in the past two years

Unlike low-income children, pregnant women, and their families, as well as the elderly and disabled, there is no statewide public health care program designed to cover low-income uninsured childless adults. Childless adults with the same income levels as the aforementioned groups do not currently qualify for BadgerCare Plus. A recent survey of the uninsured found that 57% of all uninsured people in the United States are childless adults (ages 19-64).² Some of these individuals have moderate to high incomes and choose not to purchase health insurance, but an estimated 40% earn below 300% FPL.

According to analysis of the 2006 report on Wisconsin Health Insurance Coverage, young adults are more likely to be uninsured than any other segment of the State's population. Residents of the City of Milwaukee and the self-employed also have higher uninsured rates. Low-income Wisconsin residents are also more likely to be uninsured than those with higher incomes, according to national research on the uninsured. State and federal data indicate that the number of people with employer-subsidized insurance is decreasing, while the number of uninsured is increasing.³

Health insurance coverage affects access to health care and the financial well-being of families. According to the Kaiser Commission on Medicaid and the Uninsured, over 40% of non-elderly, uninsured adults have no regular source of health care, and coupled with a fear of high medical bills, many delay or forgo needed care.⁴ Delaying or forgoing needed primary care can lead to more serious illnesses and health problems. Lack of health care coverage not only affects access to health care and health status, but also job decisions and financial security. In addition, medical expenses of the uninsured have been shown to be a major contributor to U.S. bankruptcy filings.⁵

There is also an impact on health care providers and hospitals as they face increasing demands for care by the uninsured for which there is little or no reimbursement. This uncompensated care places fiscal demands on these institutions, government bodies, private health insurance companies and the philanthropies that support them. According to the Wisconsin Hospital Association, 143 Wisconsin hospitals provided \$736.1 million of uncompensated health care services to their patients in fiscal year 2005, including charity care (\$338.6 million) and bad debt (\$397.5 million).⁶

² L. Dubay, J. Holahan. A. Cook, "The Uninsured and the Affordability of Health Insurance Coverage," *Health Affairs* 26, no. 1 (2007): w22-w30, published online November 30, 2006; 10.1377/hlaff.26.1.w22.

³ Kaiser Commission on Medicaid and the Uninsured. "The Uninsured: A Primer." October 2006. www.kff.org

⁴ Kaiser Commission on Medicaid and the Uninsured. "The Uninsured and Their Access to Health Care," October 2006. www.kff.org, publication #1420-08.

⁵ D.U. Himmelstein, "Illness and Injury as Contributors to Bankruptcy," *Health Affairs* 24 (2005): w63-w73, published online February 2, 2005, 10.1377/hlaff.w.5.63.

⁶ Wisconsin Hospital Association. "Uncompensated Health Care Report, Wisconsin Hospitals, Fiscal Year 2005." January 2007. www.wha.org

CHILDLESS ADULTS EXPANSION AND BADGERCHOICE

Starting January 1, 2009, the State will implement the second phase of Wisconsin's comprehensive health care reform: enrolling childless adults in BadgerCare Plus using BadgerChoice, Wisconsin's new front door to health care. Childless adults will be the first group to use BadgerChoice to apply for BadgerCare Plus and manage their cases. The BadgerChoice Support Center will perform the following functions for childless adults: process applications, renewals, and changes; answer any questions; and resolve problems for members and prospective members.

Crowd Out

Crowd out refers to the idea that publicly funded insurance expansions may erode private insurance coverage, rather than provide coverage to those who do not have access to private health insurance. Providing adequate measures to prevent crowd out is an important policy issue because it reduces the effectiveness of government expenditures. If crowd out occurs, state taxpayer dollars go toward subsidizing individuals previously insured by the private market instead of reducing the number of uninsured.

Wisconsin's BadgerCare Plus expansion to childless adults is targeted to the chronically uninsured and will prevent crowd out in the following ways:

- Individuals who have health insurance coverage at the time of application or in the previous 12 months are not eligible.
- Individuals whose employer subsidized insurance could begin in the month of application or in any of the three months after application are not eligible.
- Individuals who could have signed up for employer subsidized insurance coverage through their current employer in the 12 months prior to application are not eligible.
- Enrollment will be terminated if an individual obtains employer subsidized health insurance coverage during the certification period.
- Good cause reasons will be considered to waive the 12 month waiting period; good cause reasons recognize that there are circumstances beyond the applicant's control that affect their ability to access health insurance and include:
 - Life changing events such as the death or change of marital status of the policy holder.
 - Eligibility for GAMP, Health Insurance Risk Sharing Pool (HIRSP), Medicaid, BadgerCare Plus or other public health care programs for the uninsured.
 - Expiration of the Consolidated Omnibus Budget Reconciliation Act (COBRA) health insurance continuation period.
 - Employment-related reasons such as involuntary termination of employee (or voluntary termination due to incapacitation or health condition of immediate family member), or employer discontinued health plan coverage for all employees.
- Other good cause reasons as determined by the Department.

- Core benefit is much less generous than private health insurance that meets creditable coverage guidelines; and
- Higher cost-sharing including application fee and co-payments for those with incomes above 100% FPL.
- All Core benefit participants will be required to identify their employer. Employers that do not contribute to their employee health care needs by purchasing the Core Plus benefit for their employees may be publicly identified in a quarterly report.

The key challenge in preventing crowd out is finding a balance between expanding coverage to previously uninsured people and preventing the crowd out of available private insurance coverage. Wisconsin will continue to evaluate health insurance trends to determine how effective these mechanisms to prevent crowd out are at deterring employers from modifying coverage in the private insurance market. We will retain flexibility to change crowd out provisions if necessary in the future.

Eligibility

Childless adults must meet the following eligibility requirements in order to qualify for BadgerCare Plus:

- Is at least 19 but no more than 64 years of age.
- Does not have any children under age 19 under his/her care.
- Is not pregnant.
- Is not eligible for the Medicaid full benefit plan, the BadgerCare Plus Standard Plan or the BadgerCare Plus Benchmark Plan. This would not include benefits provided under the Family Planning Waiver or those benefits provided to individuals who qualify for Tuberculosis-Medicaid.
- Is not eligible for Medicare.
- Has monthly income that does not exceed 200% of the FPL. Eligibility is based upon the average prospective gross income without any deductions or disregards. Verification of income is required.
- Is not covered by health insurance currently, or in the previous 12 months.
- Did not have access to employer subsidized insurance in the previous 12 months and does not have access to employer subsidized insurance during the month of application or in any of the three months following application.
- Provides verification, including documentation, of U.S. citizenship and social security number (or proof of application for a SSN).
- Is a Wisconsin resident.
- Complete a Health Needs Assessment at application and annual renewal.
- Obtain a comprehensive physical exam within the first certification period (generally within one year after enrollment) or had good cause for not obtaining the required exam. Examples of good cause reasons for waiving the six month waiting period when a member fails to obtain a physical exam within the first year of enrollment under the demonstration include:
 - The HMO or health care provider certifies that they were unable to schedule a physical exam appointment within the required time frame.

- The individual is a migrant worker and was exempt from managed care enrollment.
- The individual completed a physical exam within a specified time period prior to enrollment in the demonstration.
- The enrollee was unable to complete the physical exam due to a lack of transportation.
- Other good cause reasons as determined by the State.

- Payment of a non-refundable, annual application fee. The fee will be waived for homeless individuals, and for the GAMP/GA medical conversion in December 2008. Wisconsin will use the federal Department of Housing and Urban Development (HUD) definition of homelessness.

Continuous eligibility

Childless adults who qualify for BadgerCare Plus will remain eligible during the certification period, regardless of income changes, unless they:

- Become eligible for Medicare, Medicaid or SCHIP coverage;
- No longer reside in the State of Wisconsin;
- Become incarcerated or are institutionalized in an Institution for Mental Disease (IMD);
- Obtain health insurance coverage.

Application processing and Enrollment Procedures

The BadgerCare Plus for Childless Adults application process will be streamlined and very user friendly. Applications can be made online or by telephone using a toll free hotline. A robust pre-screening tool will be utilized in order to appropriately route the application to the BadgerChoice Support Center or the local agency and to determine whether an applicant is potentially eligible for coverage under the demonstration before collection of the non-refundable application fee.

Enrollment for the demonstration waiver will be processed using the same automated systems currently used for processing BadgerCare Plus and Medicaid enrollments. Individuals will be screened for BadgerCare Plus and Medicaid eligibility at the point of application for the demonstration through a series of questions posed in both the phone and online application processes. If an individual applying for or receiving BadgerCare Plus for Childless Adults meets the BadgerCare Plus or Medicaid enrollment criteria for children, pregnant women, parents/caretaker relatives, persons with disabilities and the elderly, an application filing date will be set and the application will be routed to the local agency for an eligibility determination.

Individuals who are already enrolled in the demonstration will be required to report changes that would qualify them for BadgerCare Plus or Medicaid eligibility, such as pregnancy, changes in household composition and the onset of disability as determined by the Social Security Administration. When such a change is reported, the change will be processed by the BadgerChoice Support Center and the case will then be transferred to the local county or tribal agency.

Applications will be processed within 30 days of submission of a valid request for health care which includes name, address, signature and payment of the annual, non-refundable application fee. There will be no backdating for the BadgerCare Plus childless adults expansion. Enrollment in the program will begin prospectively, on the subsequent first or fifteen of the month after all eligibility requirements are met and enrollment is confirmed. Enrollment will generally not occur until a managed care organization has been selected. There will be an exception if the individual lives in a location where managed care is not available.

Tribal members and migrants will be exempt from enrolling in managed care, but tribal members can enroll if they choose. Federal managed care regulations 42 CFR 438.50(d)(2) prohibit states from requiring members of federally recognized tribes to enroll in managed care. Migrant workers are generally exempt from mandatory HMO enrollment since they only live in the State for several months, making it difficult for HMOs to manage care and for the State to develop actuarially sound rates for this population.

Members will be sent written notification of the need for an eligibility re-determination approximately 45 days prior to the end of the certification period. The notification will provide instruction for completing the re-determination process online or by phone and will also contain information about deadlines, requirements, appeal rights, etc.

BadgerChoice

Currently, county agencies are the point of entry for all Wisconsin residents enrolling in State health care programs, except for the State's SeniorCare program. As of January 1, 2009, BadgerChoice, Wisconsin new health care connector, will be the entry point for childless adults. Their applications, renewals, and all other case processing will be done centrally in the BadgerChoice Support Center.

BadgerChoice will be both a web tool and the Support Center, and will become the mechanical, physical and virtual tool to handle inquiries, applications, renewals and all other case processing, all of which will be done centrally within this entity. The BadgerChoice Support Center will be staffed with both public workers and vendor staff who will work in tandem. Public workers will be responsible for determining eligibility for BadgerCare Plus and handling all data exchanges.

ACCESS, the current online tool for applications, self-assessment, case management and reporting changes, will be modified and expanded to become BadgerChoice. Eventually, all BadgerCare Plus and Medicaid enrollees will use BadgerChoice to help them apply for, renew, manage their case and select/change their HMO enrollment. *See Appendix D for a diagram.*

The BadgerChoice Support Center will have support for Limited English Proficiency and low literacy applicants and members. We will require that a sufficient number of staff on the member hotline be bilingual (Spanish, Hmong

and, possibly, Russian) and will use the universal translation service for other languages.

In addition, all of our written communications with members (web page text, notices, letters, brochures, etc.) are written at a 4th grade reading level. Finally, we have established relationships with more than 100 community partners, including churches, advocacy organizations, public health agencies, health care providers, food pantries, etc., who have volunteered their services to assist potential applicants apply for BadgerCare Plus and Medicaid benefits.

Helping Childless Adults Apply for BadgerCare Plus

BadgerChoice will help childless adults apply for BadgerCare Plus online, or over the phone. During the application process, the BadgerChoice application tool will predetermine which applicants are qualified to enroll in BadgerCare Plus. This will save time for applicants and State staff. BadgerChoice will ask applicants whether or not they would like the State to contact their employer to find out if the employer would be interested in enhancing their BadgerCare Plus Core benefit by buying up to Core Plus. Furthermore, employers can use BadgerChoice to indicate their interest ahead of time so that when one of their employees applies, they will be enrolled in the enhanced Core Plus benefit.

Applicants will pay their non-refundable application fees using BadgerChoice. This process will include an electronic payment option, but applicants will also be able to pay with a check or money order to the BadgerChoice Support Center. The application fee must be paid in order to complete the application process.

HMO Enrollment

Childless adults who are required to enroll in managed care will select an HMO at the time of application either online using BadgerChoice or by phone through the BadgerChoice Support Center. This will shorten the time it takes for an applicant to be matched with a medical home by four to six weeks. Applicants will be matched with HMOs based on certain criteria including location, provider preference, health conditions, previous membership at an HMO, and the availability at a particular HMO. In addition, applicants will be directed toward Tier 1 HMOs for quality and cost effectiveness wherever possible. If an applicant does not choose an HMO, BadgerChoice will automatically assign an HMO during the enrollment process.

The criteria used in “matching” the applicants to an HMO as they apply for the program will be generally the same criteria used for the automatic assignment when the applicant does not select an HMO, except that the auto assignment criteria will allow the state flexibility to assign additional “points” to HMOs new to Wisconsin or for HMOs with exceptional performance in select quality or customer satisfaction measures. Conversely, the auto assignment criteria could also assign fewer points to HMOs with performance problems.

After the BadgerChoice Support Center has enrolled qualified applicants into BadgerCare Plus HMOs, they will send them BadgerCare Plus member materials and ForwardHealth membership cards. It will also send HNA data and possibly encounter and claims data for previous Medicaid and BadgerCare Plus

enrollments, to the HMO chosen by the applicant. This completes the HMO enrollment process. Once the process is complete, the HMO will send HMO membership materials to the new member.

Members will have 90 days to change their HMO. There will be some exceptions for individuals to select a new HMO outside of the 90-day open enrollment period on a case-by-case basis and with state approval. These exceptions will be primarily for continuity of care reasons where an individual's provider is not in the network of the HMO chosen by the person and s/he is receiving ongoing care from that provider and for some reason this was not known during the 90-day open enrollment period.

This same HMO enrollment process will be implemented for children, pregnant women, and families some time after BadgerCare Plus for Childless Adults is implemented. The BadgerChoice HMO Selection tool and process will eventually be used for all managed care programs in Wisconsin. Reducing the time that childless adults spend in fee-for-service coverage by four to six weeks will result in federal benefit fund savings.

Processing Applications, Changes, and Renewals for Members

The BadgerChoice Support Center will process all applications, changes, and renewals for childless adults. This is different than the process for children, pregnant women, and families in BadgerCare Plus and also different from the Medicaid process where county agencies process the majority of applications, changes, and renewals. The Support Center will use technology and procedures that the State has successfully implemented in the SeniorCare program.

The State does not perceive any difficulties regarding access to application and enrollment via telephone and internet. A toll-free number will be available for those who choose to enroll via phone, and the hours of operation in the BadgerChoice Support Center will include evenings and weekends.

All county and tribal agencies will be required to provide access to a telephone and the Internet for individuals who appear in-person at the local agency and wish to apply for the demonstration. In addition, the State is planning to place BadgerChoice Support Center (BCSC) staff in locations throughout the state which may include federally qualified health care centers, community organizations and hospitals.

The state will also solicit assistance from community partners to help members in the application and re-determination processes. The State has established relationships with more than 100 community partners, including churches, advocacy organizations, public health agencies, health care providers, food pantries, etc., who have volunteered their assistance to assist potential applicants apply for BadgerCare Plus and Medicaid benefits.

Applications

In order to process applications centrally the BadgerChoice Support Center will need to verify data, collect application fees, and accept Core Plus purchase payments.

The Support Center will verify data provided on the application using data sources such as the Employer Verification of Health Insurance (EVHI) system, which provides timely information about access to employer subsidized health insurance. The Support Center will also utilize the Health Insurance Disclosure Match, which includes information about current and past private health insurance coverage.

The Support Center will be using data exchanges to the fullest extent possible to obtain satisfactory citizenship and identity verification for BC+ Childless Adult applicants. Specifically for citizenship, we will utilize a data exchange with Wisconsin Vital Statistics to obtain verification of births recorded in Wisconsin. For identity we can use a data exchange with Wisconsin Division of Motor Vehicles (DMV) to obtain verification that an individual holds a valid Wisconsin drivers license and therefore proves his/her identity. We expect these two sources to fulfill the requirement for a majority of our applicants. These data exchanges are currently used for Medicaid and BadgerCare Plus applicants. In the future, we hope to take the data exchange a step further by running an automatic update against Vital Statistics and DMV. We would then auto-populate the citizenship and identity fields in our client database system (CARES Worker Web) so that workers would not have to manually check these databases.

For applicants whose citizenship and identity cannot be verified through one of these data exchange sources, we will allow applicants to mail their original documentation to the centralized processing unit. A procedure will be developed to ensure the efficient and confidential processing of citizenship and identity documentation that is mailed to the unit. Documentation will be scanned into our electronic case file system and promptly returned to the applicant.

We may also explore the idea of using community partners around the state to view and validate the original citizenship and identity documentation for BC+ Childless Adult applicants. Currently many of our partners are aware of this verification requirement and have already assisted applicants in explaining the requirement or gathering the necessary documentation. This option would avoid individuals having to mail in valuable, original documentation.

The Support Center will also collect and process the application fees, and facilitate the purchase of the Core Plus benefit plan with HMOs. If, during the application process, it was determined that an employer or county entity would like to purchase the Core Plus enhanced benefit for a member, the Support Center will ensure that the individual is enrolled in the Core Plus Plan, ensure that payment is collected and that the additional payment for the enhanced benefit is made to the HMO.

Changes and Renewals

Using BadgerChoice, members can report any changes online that might affect their BadgerCare Plus membership such as changes to their household composition. This function is currently available online using ACCESS and will continue to be available using BadgerChoice. Members can also use BadgerChoice to update their address or telephone number. If members prefer

to make changes over the phone, they can call the BadgerChoice Support Center.

Members can also renew their membership using BadgerChoice. This will be a new online function available to BadgerCare Plus members. BadgerChoice will use pre-populated screens online to perform membership renewals. If members choose not to renew online, they can contact the BadgerChoice Support Center to complete their renewal by phone.

Answering Questions and Resolving Problems

Wisconsin's current model for BadgerCare Plus for children, pregnant women and families and for Medicaid uses a number of different entities to answer questions and resolve problems for our members. These entities include the Medicaid Fiscal Agent, the HMO Enrollment Broker, county agencies, and State staff. The BadgerChoice Support Center will be a one-stop shop for all questions for all BadgerCare Plus members. The BadgerChoice Support Center staff will be prepared to answer questions on a variety of topics including questions related to eligibility and membership, benefit plans, HMO choice, HMO auto-assignment, provider billing, and BadgerChoice technical problems.

Assistance will be available via a toll-free telephone number and also via email at DHFSBadgerCarePlus.wisconsin.gov. In addition, members can visit the BadgerCare Plus website at www.BadgerCarePlus.org. The State is considering other alternatives to telephone and mail communication for providing assistance such as an online chat or instant message system where members can communicate directly with the BadgerChoice Support Center.

Identifying and Enrolling Qualified Individuals

There are many childless adults who are uninsured and will qualify for BadgerCare Plus. Some of these individuals will be difficult to reach with a traditional outreach program (TV and radio ads, help from community organizations, brochures, posters, etc.) The State has found that traditional outreach activities have not always been successful in enrolling our current population and want to use this opportunity to test alternative means to enroll more uninsured individuals. In order to ensure that at least 98% of all uninsured childless adults in Wisconsin have access to affordable health insurance, we need to make sure that uninsured people that qualify for BadgerCare Plus know that they could qualify and are offered an easy way to enroll. Using the same type of data matches that are currently used to identify private health insurance coverage and to verify income, the State will take steps to proactively seek out prospective members who would be eligible for BadgerCare Plus but have not applied and will facilitate their application to the program.

Other states have had success identifying members who are qualified but have not applied. Virginia uses a Common Human Services Index that matches information from various programs across state government to provide a full picture of the family and their available income. Pennsylvania's SCHIP program pre-fills forms for application and renewal. Louisiana distributes identification cards and asks potential members to call to activate the card for presumptive eligibility.

Expanding BadgerChoice to Other Programs

BadgerChoice will become the new front door to health care for the uninsured in Wisconsin. Childless adults will be the first Wisconsin residents to access affordable health care through BadgerChoice. Certain features of BadgerChoice such as HMO enrollment and the ability to process applications, changes, and renewals will be available in the future to all BadgerCare Plus and Medicaid enrollees. In the future, the use of centralized member services along with proactive identification and enrollment of qualified individuals could be expanded beyond BadgerCare Plus for childless adults to include other BadgerCare Plus enrollees such as children, families and pregnant women as well as other State health care programs such as Family Care and FoodShare.

The State estimates that between 7% and 10% of the eligible population of children, parents, pregnant women and caretaker relatives are uninsured and have financial resources below program limits but have not enrolled in BadgerCare Plus. In addition, the FoodShare program has a participation rate of less than 60% of the eligible population and could also benefit from proactive member identification. Ultimately, Wisconsin residents will access all State health care programs through BadgerChoice. In addition, BadgerChoice can direct those individuals who do not qualify for public health care coverage to local programs or private charity efforts.

Expanding BadgerChoice to the Self-Employed and to Small Businesses

In addition to providing access to all State health care programs, BadgerChoice could become a one-stop shop for small businesses to purchase health care for their employees. Governor Doyle announced in January 2008 that BadgerChoice would become a key component of health care reform in Wisconsin by connecting small group and non-group insurance plans with small employers and uninsured individuals. BadgerChoice will help establish a consumer-driven health care market for nearly 800,000 self-employed individuals and small business owners in Wisconsin.

Benefits

To continue Wisconsin's effort to expand access to health care while controlling costs, the State will develop a Core benefit plan for childless adults as an HMO benefit. The Core benefit covers basic services such as primary and preventive care and generic drugs. An employer or other public entity such as a county or tribe can choose to enhance the Core benefit for a member by purchasing the Core Plus benefit.

The services covered and the limitations of the Core and Core Plus benefit plans will be created and later modified based on the recommendations of the Clinical Advisory Committee on Health and Emerging Technology (CACHET). The CACHET will make recommendations to the DHS Secretary. The Secretary will take CACHET recommendations into account when refining the benefit to control costs as necessary. As such, Wisconsin requests the authority to change the benefit package for the childless adults population as long as the changes result in no more than an annual five percent cumulative increase or decrease in the total BadgerCare Plus expenditures for the corresponding waiver year and comparison year.

Core Benefit Plan

The Core benefit will ensure quality care for childless adults enrolled in the program. The State will set the initial parameters of the Core benefit, but the benefit plan may be refined to control costs or provide better health outcomes for members.

The Core benefit as an HMO benefit covers the following services:

- Physician services including primary and preventive care, specialists for surgical and medical services, and chronic disease management.
- Diagnostic services including laboratory and radiology.
- Inpatient stays and outpatient visits (excluding inpatient psychiatric stays in either an Institute for Mental Disease or the psychiatric ward of an acute care hospital).
- Emergency outpatient services including emergency dental and ambulance service.
- Generic drugs and some over-the-counter drugs. Brand name drugs will be available through BadgerRx Gold. Brand name mental health drugs for those individuals converted from GAMP/GA medical programs in December 2008 will be covered. The State's intent is to cover GAMP/GA enrollees' brand name mental health drugs under a continuity of care period for as long as the enrollee is enrolled in the BadgerCare Plus for Childless Adults waiver program.
- Physical, occupational, and speech therapy are included but are limited to 20 visits annually per discipline.
- Durable medical equipment limited to \$2,500.
- Disposable medical supplies including diabetic pens, syringes and disposable medical supplies that are required with use of durable medical equipment (no limit).

All of these services will be available through the HMO except drugs, which will be covered as a fee-for-service benefit.

The State will exclude family planning services under the BadgerCare Plus Core benefit. Female childless adults between the ages of 19-44 have full coverage of family planning services, including brand name and prescription contraceptives, through the state's existing Family Planning Waiver.

Inpatient mental health services are not covered and outpatient mental health services are generally not covered under the Core benefit plan. However, the services of psychiatrists are covered since they are physicians and physician services are covered. Further, only psychiatrists can prescribe mental health drugs and it was determined that coverage of psychiatrist services was important to ensure members could get their mental health prescription drugs.

Members with severe and persistent mental illness can receive outpatient and inpatient mental health treatment through the county mental health system. By state law, counties are required to provide mental health services to individuals with severe and persistent mental illness. The state provides an allocation of

state and federal block grant funding (non-Medicaid funding) to counties that is used, in conjunction with county funds, to provide these services.

The Core benefit is comparable to the GAMP benefit package. For example, both programs cover inpatient hospital services, physician services, diagnostics, labs and prescription medications which are the most frequently used services. In addition, both programs cover most specialty care. The primary difference is that Core benefit members will have access to a larger number of providers through private managed care plans.

See Appendix B for more specific information about the covered services, service limitations and cost sharing requirements for the BadgerCare Plus Standard, Benchmark and Core benefit plans.

Core Plus Benefit Plan

The Core Plus benefit plan represents an option to engage employers in their employees' health care. Employers and other public entities such as counties and tribes may opt to purchase an enhanced Core Plus benefit for individuals who are eligible for the Core benefit plan. Self-employed individuals who are eligible as BadgerCare Plus childless adults can also purchase the Core Plus benefit. In addition to the Core Benefit, the Core Plus benefit may include the following limited services:

- Comprehensive dental services paid at near market rates with significant cost-sharing (services administration may be carved out to a separate third party to administer).
- Chiropractic services to include exams, x-rays and medically necessary manual manipulations of the spine.
- Vision services that include an annual refractive eye exam and pair of eye glasses.
- Outpatient Mental Health and Substance Abuse services up to 20 visits per year.

The Core Plus benefit is designed to provide any business with an affordable mechanism for helping low-wage workers not currently eligible for affordable, employer-subsidized insurance to access a more comprehensive benefit than what the State can afford under BadgerCare Plus.

The per member per month (PMPM) cost for the proposed Core Plus plan is currently estimated to be about \$73. This PMPM does not affect budget neutrality and will not result in any additional costs to the State or the federal government.

The Department has scheduled a series of focus group meetings around the state with business groups during the month of July 2008. These meetings have been designed to explain the Core Plus purchase plan and to gauge support for this option among business owners. The Department will be seeking feedback from business groups on their general level of interest as well as their specific view on the composition of the benefit package.

Clinical Advisory Committee on Health and Emerging Technology

Wisconsin will create a Clinical Advisory Committee on Health and Emerging Technology (CACHET) that will advise the DHFS Secretary on the inclusion and prioritization of services in the Core benefit, identify centers of excellence and develop therapy guidelines. The State Medicaid Director will chair the CACHET. Membership on the CACHET will include practicing physicians including at least one practicing with a federally qualified health center, medical professionals engaged in academic research, medical directors of HMOs, clinical nurses, and a quality assurance specialist, among others.

The key members of the CACHET will be clinicians and researchers with a focus on primary care and quality measurement. However, depending on the topics considered by the CACHET, the State plans to expand the CACHET or create ad hoc subcommittees of the CACHET to include specialists with expertise in the areas of medicine being reviewed. The State also plans to work closely with its colleagues in the AIDS program to consider the needs of the people living with HIV/AIDS.

The CACHET will recommend a prioritized list of services for childless adults that will reflect changes in medicine and medical technology, and will address budget issues. The prioritization of health care services can increase access to services, as has been shown in Oregon and in other states, and will be used to more effectively allocate resources for childless adults enrolled in BadgerCare Plus. The CACHET will meet semi-annually and will report to the DHFS Secretary, making recommendations on the following topics:

- Core benefit design;
- Modifications to the Core benefit based on changes in the fiscal situation of the program;
- Identification of Wisconsin centers of excellence for particular medical procedures; and,
- Identification of services that should and should not be covered based on new and emerging technologies and procedures.

If the CACHET recommends any changes to the benefit package, those recommendations will be forwarded to the Department Secretary. If the Secretary agrees with CACHET's recommendations, no statutory language or other legislative approvals would be necessary unless the recommendations would cause the benefit package available under the BadgerCare Plus Benchmark Plan.

Wisconsin will integrate evidence-based medicine into the Core benefit design. Using evidence-based prioritization of services to provide a Core benefit tailored to BadgerCare Plus childless adults is an effective and accountable method for providing benefits. Prioritization has increased access to services and could be used to more effectively allocate state resources towards those services that will produce the highest quality outcomes. In the design of the Core benefit, Wisconsin will be both a model for other state Medicaid programs and for the commercial market to reduce health care spending and improve health care outcomes for patients.

Therapy guidelines are generally associated with prescription drugs used for chronic disease management and are designed to control costs by first utilizing generic drugs, where medically possible. Therapy guidelines could also be used to guide the use of medical procedures. For example, before bariatric surgery, therapy guidelines would require other medically appropriate treatments such as prescription drugs or less invasive surgery. Furthermore, if a provider determines that bariatric surgery is necessary, the patient may be required to have the surgery at a center of excellence. For purposes of the BadgerCare Plus childless adults benefit, therapy guidelines could control costs by guiding treatment towards less costly drugs and procedures first, where appropriate.

Program Coordination

Like many states, Wisconsin has a number of health care programs that offer very limited coverage to populations that do not have access to comprehensive commercial insurance. BadgerCare Plus will coordinate with these existing programs. These programs include the AIDS Drug Assistance Program, the Family Planning Waiver, GAMP, the Health Insurance Risk Sharing Plan, the Chronic Disease Program, and the Well Woman Program.

See Appendix E for more detailed information about program coordination.

HMO Choice

Health insurance coverage will be provided through a managed care product that provides the benefits included in the Core and Core Plus benefit plans. Dental benefits for Core Plus will be offered under a different arrangement pending the outcome of a request for proposal. Wisconsin will use the fourteen HMOs that currently provide services to the existing BadgerCare Plus and Medicaid populations to create a consumer-driven health care product where members have options and access to services. The State will establish a transparent quality-based two-tier HMO rating system based on criteria related to quality and cost, but which may also include centers of excellence, proven disease management, customer satisfaction, and price. This concept of performance-based enrollment offers enrollees the opportunity to join an HMO serving their area with the highest quality performance, Tier 1 HMOs are considered to be preferred plans. Enrollees will be encouraged to apply for these cost effective plans through a reduced application fee. HMO auto-assignments will also give preference to Tier 1 HMOs.

The State will rely on recommendations from the CACHET to develop a scoring methodology, determining factors, and actual tier designation. A broad range of indicators will be considered, including clinical, non-clinical, structural, and process related indicators (excluding mental health). Future considerations may also include a 'blue ribbon' concept for disease management.

Exceptions will be made when only one HMO is available in a service area. For instance, if the only HMO available for a member is designated as a Tier 2, cost-sharing for that member would be set at a Tier 1 level.

By January 2009, 68 of Wisconsin's 72 counties will have HMO coverage. All but nine will have two or more HMOs available throughout the county. Of those nine

that have one HMO, five are rural exception counties approved by CMS in 2005 under a state plan amendment covering the BadgerCare Plus population. Menominee County consists mostly of tribal members and as such is voluntary for HMO enrollment. The three remaining counties are: Sheboygan, Pierce and St. Croix counties. These counties have two HMOs in some zip codes and one in other zip codes. BadgerCare Plus childless adult members in the four counties without mandatory HMO enrollment will receive their benefits on a fee-for-service basis.

The State's contract with HMOs requires HMOs to negotiate with federally qualified health centers (FQHCs) on the same basis as it negotiates with other primary care providers. The Department interprets this provision as a requirement that HMOs pay FQHCs at least Medicaid fee-for-service rates. This provision offers an incentive for both parties to contract. FQHCs receive 100% reasonable cost reimbursement from a combination of HMO and the State's payments, and HMOs benefit from having a more culturally competent and robust provider in their network.

Cost-Sharing

The State recognizes that many childless adults are at very low levels of poverty, many below 100% of the FPL. Therefore, Wisconsin has designed its cost-sharing system taking into account the financial circumstances of potential members.

Application Fee

As a condition of enrollment, childless adults are required to pay a tiered application processing fee that will be used to fund program administration, including collection of program participant's fees, producing and distributing enrollment cards, responding to client inquires, developing and processing applications, determining eligibility, and evaluation and monitoring of the demonstration waiver.

The annual non-refundable application fee is currently estimated to be either \$60 or \$75 per member depending upon the HMO that the individual chooses. The application fee is \$75 if an individual chooses a Tier 2 HMO but will be discounted to \$60 if the applicant chooses a Tier 1 HMO. Although the applicant/member is responsible for submitting the application fee, it can be paid on behalf of the applicant by individuals and entities such as community organizations, faith-based organizations, counties, and relatives. The BadgerChoice Support Center will clearly communicate this information and suggest possible resources, including any organizations that have indicated they may be willing to pay the annual fee on behalf of very low income individuals.

The application fee will be waived for Milwaukee and other counties' General Assistance Medical Program enrollees when the State automatically transfers them into BadgerCare Plus and will also be waived for applicants that are homeless (following the federal Department of Housing and Urban Development guidelines).

The application fee will be used to pay for the administration of the program to keep the total cost of the program as low as possible. The State is following the current GAMP practice, which requires individuals to pay \$50 for each six month certification period and only exempts persons who meet the federal definition of homelessness. As is the case in Milwaukee, we expect advocacy and health care organizations to provide very low income individuals with the application fee.

Co-payments

Childless adults will pay nominal co-payments (between \$0.50 and \$3) for non-institutional services. Co-payments for generic prescription drugs and for grandfathered brand name prescription drugs will be \$5 per prescription or the cost of the drug, whichever is cheaper, with a maximum co-payment for drugs of \$20 per month per provider. Co-payments for hospital services for members with income less than 100% of the FPL will be nominal and based on the BadgerCare Plus Standard Plan. Co-payments for hospital services for members with moderate incomes between 100% and 200% of the FPL will pay co-payments in an amount equivalent to the BadgerCare Plus Benchmark Plan (see chart below). However, there is a \$300 annual cap on co-payments for hospital services for childless adults.

Co-payments will be waived for preventive services (as defined in the BadgerCare Plus Benchmark Plan) and for annual physical exams. For inpatient services, if the member has income at or below 100% of the FPL, the copayment is \$3 per day up to \$75 per stay, which is consistent with the Standard Plan. If the member has income above 100% of the FPL, then the copayment is \$100 per stay, which is consistent with the Benchmark Plan. Total cost-sharing for hospital services (both inpatient and outpatient) is limited to \$300 per year for all hospital services, for all income levels.

Under the Core Plan, co-payments are charged per service rather than per visit and will be collected by HMOs. However, HMOs generally delegate the requirement to collect the copayment to the providers. Like in the BadgerCare Plus Benchmark Plan, if a member does not pay the copayment, the provider can refuse to provide services. HMOs also have the flexibility to reduce or waive cost sharing requirements for their members.

For services with nominal copayments, which range from \$.50 to \$3.00, copayments are applied the same way they are applied under the BadgerCare Plus Standard Plan. The amount of the copayment is based on the maximum reimbursement for the service. The following table shows the ranges:

<u>Maximum Fee</u>	<u>Co-payment</u>
\$10 or less.....	\$0.50
\$10.01 to \$25.....	\$1.00
\$25.01 to \$50.....	\$2.00
\$50.01 or more.....	\$3.00

For prescription drugs and for hospital services for members with income between 100% and 200% of the FPL, copayment amounts are based on copayments in the BadgerCare Plus Benchmark Plan.

Estimated fee schedule:

Federal Poverty Level	Application Fee		Non-Institutional Services	Drugs	Outpatient Hospital	Emergency Room Services	Inpatient Hospital
	Tier 1 HMO	Tier 2 HMO					
0–100%	\$60	\$75	Nominal	\$5	Nominal	Nominal	Nominal
100–200%	\$60	\$75	Nominal	\$5	\$15	\$60	\$100

Health Status

The State has limited information regarding the health status or health care needs of the childless adult population, many of which have had very little access to health care services. Collecting basic information regarding health status and previous access to health care will allow the State to create baseline data for this population. Using this baseline, the State can evaluate the HMOs' ability to address the health care needs of their members. The CACHET will use the baseline to tailor the benefit package to childless adults. The self-reported Health Needs Assessment and the required physical exam will foster communication and outreach by health plans to their members and will encourage members to be active consumers of health care.

Health Needs Assessment

Childless adults enrolling in BadgerCare Plus will be required as a condition of enrollment to complete a Health Needs Assessment (HNA). The HNA is a short survey of basic health conditions and health history that the State will use to help match enrollees with HMOs and providers that meet the individual's specific needs. The HNA is designed for individuals to self-report basic health information and to capture the immediate health needs of members. The HNA data is important for three reasons:

1. The childless adult population is a new coverage population for BadgerCare Plus and we lack sufficient information about their health needs. The HNA (and the physical examination) will allow us to begin to fill in the blanks in this knowledge.
2. We will be using information provided in the HNA to recommend an HMO to the individual or couple applying for BadgerCare Plus for childless adults and will use HNA data as part of our automatic assignment of an HMO when the individual or couple does not select one on their own. People who identify themselves as having special health care needs will be shown which HMOs in their service area have the highest score on performance measures that

correspond to those needs where available, such as asthma, diabetes and smoking cessation. For example, if an individual says that he has been diagnosed with diabetes, we will want to alert the individual if one of the HMOs in his service area has an excellent track record for providing quality health care for diabetic patients. The choice selection tool also will include information about HMO networks' primary and specialty providers and hospitals.

3. By using the HNA data, combined with encounter and claims data that we might have on file, we can alert the HMO to serious health conditions that require immediate intervention.

The Department's procedures for the electronic exchange of health information will maintain privacy and security in accordance with the Health Insurance Portability and Accountability Act of 1996 (HIPAA), Public Law 104-191 sections 261 through 264.

Physical Exam

Childless adults will be required as a condition of continued enrollment to get a physical exam within one year of enrolling in BadgerCare Plus. This requirement is designed to establish a detailed medical status baseline in order to create a medical home for previously uninsured enrollees and identify any untreated health issues that may be present in a population that has had very little access to health care in the past. This exam can be completed by physicians or nurse practitioners that are part of the member's health plan network.

Enrollees will also be required to obtain a physical exam within the first certification period (generally within one year after enrolling in BadgerCare Plus). The Department will identify whether an individual has met the physical exam requirement through data submitted by HMOs or the providers. Information on whether an exam was performed would be transmitted to the automated eligibility system, CARES, so that this information would be available at recertification. The State will provide good cause exemptions to the six-month waiting period. Members will be encouraged to get their physical exam within the first six months.

HMOs will be responsible for ensuring that their members have access to providers capable of performing the physical exam. HMOs will also be responsible for communicating with their members to make them aware of the requirement and for supplying required verification.

Health plans will be required to achieve minimum rates of compliance for providing physical exams. If HMOs do not meet the established rates, the State will recover a predetermined portion of the administrative costs included in the HMO capitation payments.

EVALUATION

Wisconsin plans to conduct a rigorous external evaluation of the expansion to childless adults. Components of this evaluation will include a review of member

satisfaction and cost-effectiveness. The evaluation will also review the effect of tiering HMOs on Medicaid managed care. A major part of the expansion to childless adults involves replacing the GAMP program. As a result, Wisconsin will compare the effectiveness of this expansion to GAMP in terms of moving to primary and preventive care and away from disproportionate share payments to providers for uncompensated care.

The evaluation will be developed in partnership with the University of Wisconsin Population Health Institute within the UW School of Medicine and Public Health. The Institute has been involved in the design of BadgerCare Plus and is currently evaluating the program expansion to all children, parents and pregnant women. Specific research questions being considered for the childless adults' expansion include the following:

Program Impact Questions

1. Does the program reduce the state's long term uninsured rate? Does this program, along with other changes (BadgerCare Plus expansion for all children), provide access to 98% or more of Wisconsin citizens to affordable health care coverage?
2. Does the program lead to a reduction in emergency room usage and uncompensated care thanks to an increase in primary care usage for this population?
3. Beyond converting coverage of existing GAMP populations, to what degree is the program covering previously uninsured individuals?
4. What are the trends in uncompensated care following implementation of the program?
5. What effect do the program requirements of a physical examination and enrollment in an HMO have on the subsequent health care utilization patterns and overall health status of the uninsured childless adult population?
6. What effect do the mandatory health examination and health needs assessment have on decisions of eligible persons to enroll and remain enrolled?
7. How effective is the waiting period at deterring crowd-out related to employers modifying coverage in the private insurance market?
8. Does the BadgerCare Plus Core benefit plan sufficiently meet the health care needs of the uninsured childless adult population, particularly with regard to anticipated specialized needs for prescription drugs and psychiatric services?
9. Does the program lead to more continuous care and reduce churning as compared to the GAMP population experience?

Process Evaluation Questions

10. How does the program enrollment fee affect the decision of potentially eligible persons to submit an application?
11. How effective is the centralized state-run process for application and enrollment as compared to the existing county-based application process?

WAIVER CONSIDERATIONS

Enrolling childless adults in BadgerCare Plus will require a waiver of federal law and regulations. The State will work closely with the Centers for Medicare and Medicaid Services (CMS) on obtaining approval of the federal waiver as a demonstration project under Section 1115(a) of the Social Security Act. See Appendix A for a list of the requirements not applicable to expenditure authority.

FUNDING AND BUDGET NEUTRALITY

Expanding BadgerCare Plus to childless adults will be budget neutral, as required for an 1115(a) waiver of federal law.

From a budget neutrality perspective it is important to note that this expansion to childless adults is a natural evolution in Wisconsin's health care delivery system. Among the 40,800 uninsured childless adults to be served by the program, there are an estimated 15,000 individuals enrolled in the Disproportionate Share Hospital (DSH) funded General Assistance Medical Program (GAMP) in Milwaukee County. GAMP provides some few primary care services and reimburses hospitals for what would have otherwise been uncompensated inpatient hospital costs.

The current GAMP program was created after the 1995 closure of Doyne Hospital, Milwaukee County's only public hospital, in an effort to continue health care for the indigent and uninsured population in Milwaukee County. Froedtert Hospital agreed to provide care to uninsured and indigent patients for two years after Doyne was closed. During these two years, Froedtert developed a pilot program with five community-based primary care clinics that would bill for services provided to a limited number of GAMP clients. By April 1997 a total of 2,100 GAMP patients were in the pilot program and the county board approved the expansion of enrollment in the program and the inclusion of Medical College of Wisconsin clinics in the purchasing model. The program went county-wide in July 1997, adding additional hospitals as preferred providers.

In 2008, only 30 sites provide services to 15,000 GAMP recipients. These sites include an array of federally qualified health centers (FQHCs), community health agencies and community hospitals. GAMP covers primary care and limited specialty care, inpatient hospitalization, pharmaceuticals, diagnostics and laboratory services. Mental health, routine dental services and substance abuse treatment are not covered. The effect on hospitals is anticipated to be minimal, since the same hospitals that served GAMP recipients and other low-income populations will now be serving the same populations under the expansion program. The Wisconsin Hospital Association and many of its largest members strongly support the proposal.

Disproportionate Share Hospital (DSH) funding is a vital component in the revenue mix used to fund the GAMP program. The BadgerCare Plus Childless Adult program will replace GAMP, and as a result DSH funding currently provided to Milwaukee area hospitals to support GAMP will be used to expand health care to childless adults. Recasting DSH funding from providing hospital based supplemental payments to providing childless adults with preventative and

primary health care through BadgerCare Plus is consistent with the stated goals of the Bush Administration.

A key element of Wisconsin's plan is to convert a significant portion of the state's existing Disproportionate Share Hospital (DSH) allotment into a limited primary and preventive health care benefit for some of Wisconsin's poorest uninsured residents. It is currently projected that 70% of our DSH allotment will be allocated for the BadgerCare Plus for Childless Adults program over the life of the demonstration. However, Wisconsin is requesting the full use of our total DSH allotment for the BadgerCare Plus for Childless Adults expansion and reserves the right to use any remaining DSH allotment not used for the expansion for other DSH eligible programs. In federal fiscal year 2008 Wisconsin will expend our total allotment assisting in establishing the base expenditure level for the program. We are requesting the full use of our allotment level consistent with the allotment level approval CMS granted the state of Maine in October of 2002 and extended in 2007 for a similar expansion program.

The benefit for childless adults is not an entitlement. Therefore, Wisconsin will maintain the flexibility to manage the childless adults benefit within the state's overall DSH allocation during each year of the waiver.

Developing the Costs For Childless Adults

Since this population does not currently have health insurance, there is limited information available to determine rates. Therefore, to determine costs, the estimated 81,000 potential uninsured eligibles in the state were divided into two groups: GAMP enrollees and other childless adults. It is estimated that at full enrollment the demonstration waiver will provide coverage for 40,800 of the 81,000 potential eligibles.

To determine the per member per month (PMPM) cost for the Core benefit, the Department modeled the childless adults benefit based on the current Medicaid benefit adjusted for changes in the benefit design. The model to assess benefit design impacts, developed by the Department's actuaries, allows the Department to assess the impact of benefit limitations under the CORE benefit plan for uninsured childless adults. For example, the model calculated the impact of eliminating home care services. In addition, the model assesses the impacts of corollary and substitution effects associated with changes in benefit design and cost sharing. When the core benefit design was analyzed, a base PMPM rate of \$188.77 was established. This PMPM rate was used to estimate the costs associated with the non-GAMP childless adult population.

However, based on experience in the current GAMP program, GAMP enrollees have higher health care costs than the general population. Therefore, the base PMPM rate of \$188.77 was adjusted to anticipate that GAMP enrollees will have more chronic illness and utilize more health care services. Based on costs in the current GAMP population, this population is considered to be near disabled. To account for how this population's costs are different from the family Medicaid population but not as intense as the SSI population, the \$188.77 PMPM was increased to \$339.64 for GAMP enrollees. The increase of 180% between the GAMP and non-GAMP rates is warranted since the GAMP population is

anticipated to be a higher level of chronicity than traditional adults in the current program. The primary factors considered in structuring the PMPM rate include the experience of the GAMP program in Milwaukee County and Oregon's experience with a similar population and benefit package. Our contracted actuary, Price-Waterhouse-Coopers, has calculated PMPM rate for parents in Wisconsin's BadgerCare Plus program and we estimate that costs for the childless adult population currently receiving general assistance medical coverage will be higher.

The rate methodology was based on Wisconsin's experience with parents in the BadgerCare Plus program, GAMP's experience from Milwaukee County, Oregon's experience with its childless adult program and anecdotal information from other states about their experience with similar populations and programs. It should be noted that the differential between Oregon adults in families and Oregon childless adults was used as a proxy for utilization of GAMP participants. Since only the ratio was used, the indicator represents anticipated utilization differences between these two populations and eliminates changes due to differences in Medicaid reimbursement rates and benefit plans between Oregon and Wisconsin.

At this point, the State is not planning to implement any risk sharing agreements with the MCOs but will discuss this matter with them further. We offered this in the past but there was little take up. The state will work with the actuaries to ensure that the rates are actuarially sound and that HMOs will be provided the opportunity to determine if they want to accept these rates before signing the contract. In addition, we will be issuing the childless adults benefit as part of our overall MCO contract, which include BadgerCare Plus and SSI managed care; therefore the risk is dispersed over the entire population the HMO enrolls.

Many of our smaller HMOs also purchase reinsurance to prevent excessive losses. HMO financial stability is also regulated by the Wisconsin Insurance Commissioner, who establishes reserve requirements for HMOs. Finally it should be noted that the expansion program is not an entitlement and the state has explicitly indicated that the CACHET will review, and if needed, adjust benefits to ensure that the program is operated within the planned budget.

Budget Neutrality for Childless Adults

Expanding BadgerCare Plus to childless adults will be budget neutral as required for a Section 1115(a) demonstration project waiver. It will not only provide health insurance to a population that currently does not have adequate access to health care, it will not increase federal Medicaid expenditures. Since the Childless Adults benefit is not an entitlement, the state will ensure that expenditures for the Childless Adults benefit will not exceed the state's total DSH allocation in any year of the demonstration period and, therefore, will be budget neutral over the entire five year demonstration project period.

Eliminating the GAMP program and reallocating the associated DSH funding will allow the state to transfer this population from a general relief hospital centered, episodic medical care model to an insurance model where these individuals will receive primary and preventive care within the state's DSH allotment authority.

For FFY08 Wisconsin will fully expend the state's entire DSH allotment, representing the state's commitment to serve the uninsured.

Wisconsin was able to fully expend the state's total DSH allotment by increasing claims under the GAMP program and increasing claims for public hospitals. For FFY08 Milwaukee County increased its intergovernmental transfer (IGT) contribution so the GAMP related DSH payments reflect a higher percent of 2006 and 2007 claims cost. The FFY08 claim also reflects GAMP costs for calendar years 2006 and 2007, while previous GAMP payments reflected a one year offset. Reimbursing 2006 and 2007 claims in FFY08 resolves a GAMP payment lag thereby facilitating the program's close-out and replacement by the childless adult waiver.

It should be noted that no hospital specific DSH limit will be exceeded in FFY08 and all payments are being made in accordance with rules and funding limits established in our state plan. It should also be noted that the FFY08 GAMP payments will not exceed any hospital-specific DSH limit for the 12 month time period of 10/1/07 – 9/30/08.

The state is dedicated to increasing access to health care for childless adults, either through current efforts to maximize DSH spending for uncompensated care to hospitals for episodic care, or preferably by providing access to full health care coverage through the state's BadgerCare Plus program. Wisconsin has historically not been as aggressive as it could have been in maximizing its DSH allocation. In the future, if the DSH funding is not used for the childless adults program, the state has confirmed that it has sufficient public expenditures through the University of Wisconsin hospital system, county health programs, and public Institutes for Mental Disease (IMDs) to utilize its entire annual DSH allotment for each of the next five years. Therefore, either through the waiver to expand BadgerCare Plus to childless adults or through claiming for public expenditures, Wisconsin's entire DSH allotment authority will be expended in future years.

If necessary, Wisconsin will redirect its entire DSH allotment to fund the childless adults program. Current estimates indicate that the cost of the Childless Adults benefit will be below the state's total DSH allotment in each federal fiscal year. To ensure that sufficient funding is available, the state requests that the full annual DSH allotment during each of the demonstration years be available to fund the costs of the childless adults' program and other DSH eligible expenditures.

The DHS allotment limitation is consistent with Maine's approved Section 1115 health care reform demonstration waiver to extend coverage to childless adults. For this waiver, approved in October 2002 and extended in 2007, CMS required that "demonstration costs that may be recognized as expenditures under the plan are limited to an amount that, when added to total DSH payments under the plan, does not exceed the allowable aggregate ***DSH allotment***." (CMS terms and conditions for Maine Care for Childless Adults).

Benchmarking total budget neutrality to DSH allotment authority is also consistent with the 1115 waiver for the District of Columbia's Childless Adults proposal which was approved by CMS in March of 2002. In the terms and conditions of this agreement, it stated "the budget neutrality limit for this section 1115 demonstration will be 14% of the federal share of the ***DSH allotment*** for each of the 5 years of the demonstration." (CMS terms and Conditions for District of Columbia Medicaid Section 1115 Proposal for Childless Adults Aged 50-64) In both of the cases cited above CMS used its authority to explicitly approve terms and conditions based on the ***DSH allotment*** authority level. Wisconsin requests similar consideration.

It must also be noted that Wisconsin will spend its entire DSH allotment in FFY08 and is committed to spending the entire DSH allotment in future years. Therefore, since budget neutrality is based on projected federal expenditures during the demonstration period; it would be inaccurate to use Wisconsin's historical DSH expenditures since historical spending will not accurately reflect future DSH expenditures. To more accurately project potential federal costs for the purposes of budget neutrality, it would be necessary to use only the FFY08 expenditures as the basis for future DSH expenditures.

Whether approval is based on the use of DSH allotment authority granted in other state's demonstration waivers approved by CMS or Wisconsin's FFY08 DSH spending, it is appropriate and consistent to limit expenditures under this demonstration project to Wisconsin's total DSH allotment. Either way no increase in federal expenditures will occur by approving this waiver request.

The table in Appendix C shows the total federal costs with the Childless Adults 1115 waiver and the total federal costs without the Childless Adults 1115 waiver.

Since the Core Plus benefit is state only optional coverage and no federal funding is being requested for this benefit or administration of the Core Plus program, it is not included the federal budget neutrality estimates. Employers or other third party payers will cover the entire cost of the Core Plus benefit package.

PUBLIC INVOLVEMENT

Since the announcement of the BadgerCare Plus expansion in January 2007, the State has worked diligently to inform Wisconsin citizens about the proposal as well as to seek input into its design. This outreach is described in the following sections.

BadgerCare Plus Advisors Group

The BadgerCare Plus Advisors Group is responsible for providing guidance and advice to the State on all policy and program design issues. The group met during the development of BadgerCare Plus to review and discuss recommendations from the internal Steering Committee and offer suggestions for improvements. Each of these sessions was a public meeting.

The majority of feedback received was very positive. The primary concern expressed by committee members was the limited nature of the proposed benefit package, especially the lack of mental health coverage. However, some mental health services will continue to be provided by counties. By state law, counties are required to provide mental health services to individuals with severe and persistent mental illness. The state provides an allocation of state and federal funding (non-Medicaid funding) to counties that is used, in conjunction with county funds, to provide these services, including inpatient mental health services.

This group has been critical to the design and development of BadgerCare Plus and the Childless Adult expansion. The group was expanded from the original BadgerCare Plus initiative to include more representatives from Milwaukee and advocates for a broader population. The Advisors Group includes representatives from business, health plans, providers, public health, farmers, Native American tribes, the State Legislature, faith-based organizations, county government, children’s advocacy groups, and the University of Wisconsin.

The Advisors Group will continue to work with the Department through implementation. Current members are:

- Bevan Baker, City of Milwaukee Health Department
- Bill Bazan, Wisconsin Hospital Association, Inc.
- John Chianelli, Milwaukee County Department of Health and Human Services
- Sheila Clough, Howard Young Health Care; Ministry Health Care
- Mike Farrell, Creative Insurance Planning Company
- Donna Friedsam, University of Wisconsin Population Health Institute
- Jason Helgerson, Department of Health Services
- C.C. Henderson, Milwaukee Health Services, Inc.
- Barb Horner-Ibler, Free Clinic Collaborative
- Michael Jacob, Covering Kids and Families-Wisconsin
- Jim Jones, Department of Health Services
- Kathy Kaelin, Automated Health Systems
- Ed Kamin, Kenosha County Department of Human Services
- Maureen McNally, Froedtert and Community Health
- Danyel McNeil, City of Milwaukee Health Department
- Dr. John Meurer, Medical College of Wisconsin
- Senator Mark Miller, Wisconsin State Senate
- Father Thomas Mueller, St. Cyril and Methodius Orthodox Church
- Paul Nannis, Strategic HealthCare Solutions
- Bill Oemichen, Wisconsin Federation of Cooperatives
- Jon Peacock, Wisconsin Council on Children and Families
- Bobby Peterson, Advocacy & Benefits Counseling (ABC) for Health, Inc
- Lori Pidgeon, Ho-Chunk Nation
- Representative Jon Richards, Wisconsin State Representative
- David Riemer, Community Advocates
- Bill Smith, National Federation of Independent Business
- Gail Sumi, AARP Wisconsin

- Joy Tapper, Milwaukee Health Care Partnership
- Dr. Susan Turney, Wisconsin Medical Society
- Nancy Wenzel, Wisconsin Association of Health Plans
- Paul Zimmerman, Wisconsin Farm Bureau Federation

Legislative Briefings

In addition to legislative participation on the BadgerCare Plus Advisors Group, several legislators participated in the town hall meetings. As development of the proposal continues, the Department will provide briefings for members of the Wisconsin State Legislature.

The Department has also arranged individual briefings for interested legislators and/or their staff and the Legislative leadership. Special outreach will be conducted for legislators on key committees, including the Joint Committee on Finance; Senate Committee on Health, Children, Families, Aging and Long Term Care; the Assembly Committee on Health; the Assembly Committee on Children and Families; and the Assembly Committee on Medicaid Reform.

Town Hall Meetings

Governor Jim Doyle and Department Secretary Kevin Hayden hosted town hall meetings across the State to discuss the Governor's Health Care for All agenda which includes the expansion of BadgerCare Plus to childless adults. These meetings also provided a forum to gather comments about existing programs and obtain input from interested parties. Each town hall meeting included health care providers, county staff, advocates, reporters, and others.

Web Sites

Another key component of Wisconsin's outreach and communication strategy is its web presence. Wisconsin's external site, www.badgercareplus.org/, includes BadgerCare Plus member and provider information. It includes information about childless adults, Advisor Committee information and other future initiatives. It also contains a link for comments and questions. This web site is referenced in all marketing and outreach materials and discussions.

The Department's internal web site provides access to all materials, documents and decision items that have been created throughout the life of the project.

Income Maintenance Advisory Committee (IMAC)

The Department consults regularly with a group of managers from county and tribal governments who are experts in the determination and certification of benefits for Medicaid, BadgerCare, Food Stamps, and Temporary Assistance for Needy Families (TANF) programs. These managers are appointed by the Wisconsin County Human Services Association and meet monthly with Department staff and managers. The BadgerCare Plus eligibility policy and process changes have been described and discussed with the IMAC and changes recommended as a result of these discussions have been incorporated into the program design.

APPENDIX A – REQUIREMENTS NOT APPLICABLE TO EXPENDITURE AUTHORITIES

This demonstration program requires waivers from Title XIX of the Social Security Act (the Act). Section 1115(a)(2) permits the Secretary to regard as expenditures under the State plan costs of the demonstration project, which would not otherwise receive a federal match under section 1903 of the Act. This provision allows the Secretary to provide expanded eligibility and/or services to participants not otherwise covered by Medicaid. Wisconsin requests that the Secretary waive all relevant Medicaid laws and regulations which would allow Wisconsin to receive federal matching funds as described below. Wisconsin also requests the right to request other waivers to implement the proposed demonstration program, if necessary.

A. Expenditure Authority

Wisconsin requests that, under authority of section 1115(a)(2) of the Act, expenditures for the item identified below (which are not otherwise included as expenditures under Section 1903) be regarded as expenditures under Wisconsin's Medicaid State Plan:

- 1. Demonstration Population.** Provide Medicaid coverage to individuals between the ages of 19 and 64 with family income that does not exceed 200% of the Federal Poverty Level (FPL). Except for Wisconsin's Family Planning Waiver and Tuberculosis Medicaid, these individuals are not otherwise eligible for Medical Assistance (MA) or the State Children's Health Insurance Program (SCHIP).

B. Exceptions to Medicaid Requirements for the Demonstration Population

Wisconsin requests the following exceptions to Medicaid requirements for the demonstration population:

- 1. Eligibility standards.** Section 1902(a)(17) of the Act. This section specifies that eligibility methodologies must be applied in the same manner to all individuals in the same eligibility group. Wisconsin seeks to:
 - Apply different eligibility methodologies to the demonstration population than would be applied to blind and disabled persons under age 65 or to AFDC-Related Medicaid recipients. The Childless Adults eligibility criteria include:
 - Is at least 19 but no more than 64 years of age.
 - Does not have any children under age 19 under his/her care.
 - Is not pregnant.
 - Has gross monthly income that does not exceed 200% of the FPL. Eligibility is based upon the average prospective gross income without any deductions or disregards. Verification of income is required.
 - No asset/resource test.
 - Is not covered by health insurance currently, or in the previous 12 months.

- Did not have access to employer subsidized insurance in the previous 12 months and does not have access to employer subsidized insurance during the month of application or in any of the three months following application.
 - Is not eligible for the Medicaid full benefit plan, the BadgerCare Plus Standard Plan or the BadgerCare Plus Benchmark Plan. This would not include benefits provided under the Family Planning Waiver or those benefits provided to individuals who qualify for Tuberculosis-Medicaid.
 - Is not be eligible for Medicare.
 - Complete a Health Needs Assessment at application and annual renewal.
 - Obtain a comprehensive physical exam within the first certification period (generally within one year after enrollment).
 - 12 months of continuous eligibility, unless the individual becomes eligible for MA or SCHIP.
 - Payment of a non-refundable, annual application fee. The fee will be waived for homeless individuals, and for the GAMP/GA medical conversion in December 2008. Wisconsin will use the federal Department of Housing and Urban Development (HUD) definition of homelessness.
 - Provides verification, including documentation, of U.S. citizenship and social security number (or proof of application for a SSN).
 - Is a Wisconsin resident.

- Initially apply eligibility redetermination periods that are shorter or longer than 12 months to different members of the demonstration. This flexibility is needed for the start-up of the program. With an automated conversion of 7,500 General Assistance Medical program members, we would have a very large number of renewals to process in December 2008. This 'bubble' of renewals would require that the state change its staffing levels for one or two months each year.

We have asked for the flexibility with the re-determination period to lessen the administrative burden on the State and prevent re-enrollment delays for the large number of participants expected to start receiving their benefit at the beginning of the demonstration. It would also help ensure that HMOs can schedule and conduct physical exams for all new members within the first year of enrollment. Varied enrollment periods would also be desirable for the purposes of aligning the re-determination period with other assistance programs such as FoodShare.

- 2. Comparability.** Section 1902(a)(10)(B) of the Social Security Act. This section requires the amount, duration, and scope of services be equally available to all participants within an eligibility category and be equally available to categorically eligible and medically needy participants. Wisconsin seeks to:
- Allow the state to transition persons who are general assistance program participants as of December 2008 to the childless adults program.

- Allow managed care organizations to offer additional benefits or to reduce or waive cost-sharing requirements for their members without an increase in the managed care organization’s capitations rate.
- 3. Cost Sharing.** Section 1902(a)(14) of the Social Security Act. This section and sections 1916 and 1916A of the Social Security Act limit cost sharing by Medicaid recipients. Wisconsin seeks to:
- Collect an annual non-refundable application fee. This fee may vary depending on the HMO chosen by the participant. Collected fees will be used to fund administrative costs of the program.
 - Establish that participants in the waiver demonstration with income up to 100% of poverty would have nominal copayments for most services. Those with incomes from 100 to 200% would pay some additional co-payments for certain services in amounts higher than those used for the general Medicaid population.
- 4. Freedom of Choice.** Section 1902(a)(23) of the Social Security Act. This section requires participants to have an unrestricted access to provider services. Wisconsin requests to allow the state to enroll members in managed care organizations as defined in 42 CFR 438.2 on a mandatory basis statewide where there are two or more managed care organizations or under the rural exception provision in 42 CFR 438.52 (b) if there is only one managed care organization.

Wisconsin currently has an approved state plan amendment to require enrollment of BadgerCare Plus and SSI Medicaid-only adults in managed care in areas of the state where there are two or more participating managed care organizations, and for BadgerCare Plus, in rural areas where there is one HMO. Except for tribal members and migrant workers, Wisconsin requests approval to enroll all participants in the childless adults program if there is at least one managed care organization available.

- 5. Program Integrity.** Section 1902(a)(46) of the Social Security Act. This section requires the states to use an income and eligibility verification system in accordance with section 1137 of the Act related to verification of applicant and recipient income and eligibility information. The State is asking to waive 1902(a)(46) because one of the IEVS data exchanges is of such limited usefulness. Data from the Internal Revenue Service (IRS) will have limited usefulness for demonstration participants because it is outdated and requires extensive validation. Use of the IRS data is considered a waste of tight administrative staffing dollars, and based on our experience will not result in a lower payment error rate.

However, the State will continue to utilize all other state and federal data exchanges except for the exchange with the IRS. The State uses numerous other data sources to verify earned and unearned income, including matches with the State’s Unemployment Insurance and Child Support Offices, the Social Security Administration and the Public Assistance Reporting Information System.

If a real-time data exchange is not available to verify prospective monthly income, the applicant or member is required to supply income verification.

6. Beginning Date of Eligibility. Sections 1902(a)(8) and 1902(a)(34) of the Social Security Act. These sections require a state to provide assistance with reasonable promptness to eligible persons after an application has been filed and to retrospectively provide medical assistance for up to three months prior to the date of application. Wisconsin requests to:

- Not allow eligibility to begin prior to the month of application.
- Establish the beginning eligibility effective date for demonstration participants as the date of enrollment in an HMO . Such enrollment is to begin on the 1st or 15th of the month following the eligibility decision.

7. Enrollment. Section 1902(a)(10) of the Social Security Act related to entitlement of benefits. Wisconsin requests to:

- Allow the State to stop taking new applicants in the event of a funding shortfall for the demonstration.

8. Disproportionate Share Hospitals (DSH). Section 1902(a)(13)(A) of the Social Security Act. This section along with section 1923(c)(1), requires a State to pay hospitals that serve a disproportionate share of low-income patients a payment adjustment equal to or in excess of the Medicare minimum. Wisconsin requests to:

- Redirect the State's DSH allotment to help pay for the demonstration program.

9. Transportation. Insofar as it incorporates the requirement to ensure necessary transportation for recipients to and from providers under 42 CFR 431.53, Wisconsin requests to:

- Not assure transportation to and from providers for participants of the demonstration program.

10. Early and Periodic Screening, Diagnostic, and Treatment (EPSDT) Services. Section 1902(a)(43) of the Social Security Act in regards to the provision of EPSDT services.

Wisconsin requests to:

- Not inform persons who are 19 and 20 years of age in the demonstration program of the availability of EPSDT services and the need for age-appropriate immunizations. The state is limiting its request to 19 and 20

year olds because the waiver will not include individuals under 19 years old. EPSDT services, which are typically offered to individuals under age 21, will not be covered for this population. Preventative health visits, however, will be covered.

11. Covered Services

Section 1902(a)(10)(A) of the Social Security Act. This section requires States to provide a minimum set of care and services as listed in paragraphs (1) through (5), (17) and (21) of section 1905(a). Wisconsin seeks to:

- Allow the state to provide limited services to the populations covered under this demonstration.
- Allow the state not to cover all services mandated under section 1905(a) paragraphs (1) through (5), (17) and (21). For example, the state does not plan to cover nursing facility services, EPSDT services, family planning services and supplies [1905(a)(4)], pregnancy-related services, and services provided by a nurse mid-wife [1905(a)(17)].

APPENDIX B – BENEFITS AND COST SHARING

Benefits and Cost Sharing

BadgerCare Plus Standard Plan	BadgerCare Plus Benchmark Plan	BadgerCare Plus Core Plan***
Chiropractic Services		
Full coverage	Full coverage	No coverage
\$.50 to \$3 co-payment per service	\$15 co-payment per visit	
Dental Services		
Full coverage	Limited coverage of preventive, diagnostic, simple restorative, periodontics, and extractions for pregnant women and children Coverage limited to \$750 per enrollment year.	Coverage limited to emergency services only
\$.50 to \$3 co-payment per service	A \$200 deductible applies to all services except preventive and diagnostic. Cost-sharing equal to 50% of allowable fee on all services	No co-payment
Disposable Medical Supplies (DMS)		
Full coverage	Coverage of syringes, diabetic pens and DMS that is required with the use of a durable medical equipment (DME) item.	Coverage of syringes, diabetic pens and DMS that is required with the use of a DME item.
\$0.50 co-payment per item	No co-payment	\$0.50 co-payment per item
Drugs		
Comprehensive drug benefit with coverage of generic and brand name prescription drugs, and some over-the-counter (OTC) drugs	Generic drug-only formulary with a few generic OTC drugs Members will be automatically enrolled in the Badger Rx Gold plan. This is a separate program administered by Navitus, which provides for a discount on the cost of drugs.	Generic-only formulary drug benefit with a few generic OTC drugs <i>Brand name mental health drugs are only covered for individuals previously covered under the General</i>

BadgerCare Plus Standard Plan	BadgerCare Plus Benchmark Plan	BadgerCare Plus Core Plan***
		<p><i>Assistance Medical Program.</i></p> <p>Members will be automatically enrolled in the Badger Rx Gold plan. This is a separate program administered by Navitus, which provides for a discount on the cost of drugs.</p>
<p>Co-payments:</p> <ul style="list-style-type: none"> - \$0.50 for OTC drugs - \$1.00 for generic drugs - \$3.00 for brand <p>Co-payments are limited to \$12.00 per member, per provider, per month. OTCs are excluded from this \$12.00 maximum.</p>	<p>\$5 co-payment with no limits</p>	<p>\$5 co-payment with a \$20 limit per month, per provider</p>
Durable Medical Equipment (DME)		
<p>Full coverage</p>	<p>Full coverage up to \$2,500 per enrollment year</p>	<p>Full coverage up to \$2,500 per enrollment year</p>
<p>\$0.50 to \$3 co-payment per item</p> <p>Rental items are not subject to co-payment</p>	<p>\$5 co-payment per item</p> <p>Rental items are not subject to co-payment but count toward the \$2,500 annual limit.</p>	<p>\$0.50 to \$3 co-payment per item</p> <p>Rental items are not subject to co-payment but count toward the \$2,500 annual limit.</p>
Health Screenings for Children		
<p>Full coverage of HealthCheck screenings and other services for individuals under age 21 years</p>	<p>Full coverage of HealthCheck screenings</p> <p>HealthCheck “Other” services and Interperiodic services for individuals under age 21 years are not covered.</p>	<p>Not applicable</p>
<p>\$1 co-payment per screening for 18, 19, and 20 year olds only</p>	<p>No co-payment</p>	
Hearing Services		
<p>Full coverage</p>	<p>Limited coverage of services</p>	

BadgerCare Plus Standard Plan	BadgerCare Plus Benchmark Plan	BadgerCare Plus Core Plan***
	<p>provided by an audiologist.</p> <p>Hearing aids, hearing aid batteries, cochlear implants and bone-anchored hearing devices are not covered.</p>	No coverage
<p>\$.50 to \$3 per procedure</p> <p>No co-payment for hearing aid batteries</p>	\$15 per procedure, regardless of the number of procedures performed during one visit	
Home Care Services (Home Health, Private Duty Nursing and Personal Care)		
<p>Full coverage of private duty nursing, home health services, and personal care</p>	<p>Full coverage of home health services</p> <p>Coverage limited to 60 visits per enrollment year.</p> <p>Private duty nursing and personal care are not covered.</p>	No coverage
No co-payment	\$15 co-payment per visit	
Hospice Services		
Full coverage	Full coverage, up to 360 days per lifetime	No coverage
No co-payment	\$2 co-payment per day	
Inpatient Hospital Services		
Full coverage	<p>Full coverage, with the following dollar amount limits per enrollment year:</p> <ul style="list-style-type: none"> - \$6,300 for stays in a general acute care hospital for substance abuse - \$7,000 for stays in an IMD (Institutes for Mental Disease) for substance abuse treatment <p>Hospital stays for mental health and substance abuse services have a 30-day limit</p>	Full coverage (not including inpatient psychiatric stays in either an IMD or the psychiatric ward of an acute care hospital)
<p>\$3 co-payment per day with a \$75 cap per stay</p>	<p>Co-payment:</p> <ul style="list-style-type: none"> - \$100 stay for medical stays - \$50 co-payment per stay for mental health and/or substance abuse treatment 	<p>\$3 co-payment per day for members with income up to 100% FPL with a \$75 cap per stay</p> <p>\$100 co-payment per stay for members with income from 100% to 200% FPL</p>

BadgerCare Plus Standard Plan	BadgerCare Plus Benchmark Plan	BadgerCare Plus Core Plan***
		<p>There is a \$300 total co-payment cap per year for inpatient and outpatient hospital services for all income levels.</p>
Mental Health and Substance Abuse Treatment*		
<p>Full coverage (not including room and board)</p>	<p>Coverage of this service is based on the Wisconsin State Employee Health Plan.</p> <p>Covered services include outpatient mental health, outpatient substance abuse (including narcotic treatment), mental health day treatment for adults, substance abuse day treatment for adults and children, and child/adolescent mental health day treatment and inpatient hospital stays for mental health and substance abuse.</p> <p>Services not covered are crisis intervention, community support program (CSP), Comprehensive Community Services (CCS), outpatient services in the home and community for adults, and substance abuse residential treatment.</p> <p>Mental health services have no dollar maximums.</p> <p>Substance abuse services are limited to \$7,000. Costs of mental health services, including inpatient stays, apply to this overall limit. Also, there are separate dollar limits for specific substance abuse services:</p> <ul style="list-style-type: none"> - \$4,500 for outpatient substance abuse services including \$2,700 for outpatient services (including narcotic treatment) for substance abuse day treatment. - \$6,300 for inpatient hospital stays in a general acute care hospital. 	<p>Coverage limited to mental health therapy services provided by a psychiatrist only.</p>

BadgerCare Plus Standard Plan	BadgerCare Plus Benchmark Plan	BadgerCare Plus Core Plan***
<p>\$.50 to \$3 co-payment per service, limited to the first 15 hours or \$500 of services, whichever comes first, provided per calendar year.</p> <p>Co-payment not required when services provided in hospital setting</p>	<p>\$10 to \$15 co-payment per visit for all outpatient services:</p> <ul style="list-style-type: none"> - \$10 per day for all day treatment services - \$15 per visit for narcotic treatment services (no co-payment for lab tests) - \$15 per visit for outpatient mental health diagnostic interview exam, psychotherapy – individual or group (no co-payment for electroconvulsive therapy and pharmacological management) - \$15 per visit for outpatient substance abuse services 	<p>\$.50 to \$3 co-payment per service, limited to \$30 per provider, per calendar year</p>
Nursing Home Services		
Full coverage	Full coverage for stays at skilled nursing homes limited to 30 days per enrollment year.	No coverage
No co-payment	No co-payment	
Outpatient Hospital - Emergency Room		
Full coverage	Full coverage	Full coverage
No co-payment	\$60 co-payment per visit <i>(waived if member admitted to hospital)</i>	<p>No co-payment for members with income up to 100% FPL</p> <p>\$60 co-payment per visit for members with income from 100% to 200% FPL <i>(waived if member admitted to hospital)</i></p>
Outpatient Hospital Services		
Full coverage	Full coverage	Full coverage
\$3 co-payment per visit	\$15 co-payment per visit	<p>\$3 co-payment per visit for members with income up to 100% FPL</p> <p>\$15 co-payment per visit for members with income from</p>

BadgerCare Plus Standard Plan	BadgerCare Plus Benchmark Plan	BadgerCare Plus Core Plan***
		<p>100% to 200% FPL</p> <p>\$300 total co-payment cap per year for inpatient and outpatient hospital services for all income levels.</p>
Physical Therapy (PT), Occupational Therapy (OT), and Speech Therapy (ST)		
Full coverage	<p>Full coverage, limited to 20 visits per therapy discipline per enrollment year</p> <p>Also covers up to 36 visits per enrollment year for cardiac rehabilitation provided by a physical therapist. (The cardiac rehabilitation visits do not count towards the 20 PT visits.)</p>	Full coverage, limited to 20 visits per therapy discipline per enrollment year
<p>\$.50 to \$3 co-payment per service</p> <p>Co-payment obligation limited to the first 30 hours or \$1,500, whichever occurs first, during one calendar year (co-payment limits calculated separately for each discipline)</p>	<p>\$15 co-payment per visit, per provider.</p> <p>There are no monthly or annual co-payment limits.</p>	<p>\$.50 to \$3 co-payment per service.</p> <p>Co-payment obligation limited to the first 30 hours or \$1,500, whichever occurs first, during one calendar year (co-payment limits calculated separately for each discipline)</p>
Physician Services		
Full coverage, including laboratory and radiology	Full coverage, including laboratory and radiology	Full coverage, including laboratory and radiology
<p>\$.50 to \$3 co-payment per service limited to \$30 per provider per calendar year.</p> <p>No co-payment for emergency services, anesthesia or clozapine management</p>	<p>\$15 co-payment per visit</p> <p>No co-payment for emergency services, preventive care, anesthesia or clozapine management</p>	<p>\$.50 to \$3 co-payment per service, limited to \$30 per provider per calendar year.</p> <p>No co-payment for emergency</p>

BadgerCare Plus Standard Plan	BadgerCare Plus Benchmark Plan	BadgerCare Plus Core Plan***
		services, preventive care, anesthesia or clozapine management
Podiatry Services		
Full Coverage	Full coverage	No coverage
\$.50 to \$3 co-payment per service; limited to \$30 per provider per calendar year.	\$15 co-payment per visit	
Prenatal /Maternity Care		
Full coverage, including prenatal care coordination, and preventive mental health and substance abuse screening and counseling for women at risk of mental health or substance abuse problems	Full coverage, including prenatal care coordination, and preventive mental health and substance abuse screening and counseling for women at risk of mental health or substance abuse problems	Not Applicable
No co-payment	No co-payment	
Reproductive Health Services		
Full coverage, excluding infertility treatments, surrogate parenting and the reversal of voluntary sterilization	Full coverage, excluding infertility treatments, surrogate parenting and the reversal of voluntary sterilization	Family planning services provided by family planning clinics will be covered separately under the Family Planning Waiver program.
No co-payment for family planning services	No co-payment for family planning services	
Routine Vision		
Full coverage including coverage of eyeglasses	One eye exam every two years, with refraction	No Coverage
\$.050 to \$3 co-payment per service	\$15 co-payment per visit	
Smoking Cessation Services		
Coverage includes prescription and OTC tobacco cessation products.	Coverage includes prescription generic and OTC tobacco cessation products.	Coverage includes prescription generic and OTC tobacco cessation products.
Refer to the drug benefit for information on copayments	Refer to the drug benefit for information on copayments	Refer to the drug benefit for information on copayments
Transportation – Ambulance, Specialized Medical Vehicle (SMV), Common Carrier		

BadgerCare Plus Standard Plan	BadgerCare Plus Benchmark Plan	BadgerCare Plus Core Plan***
Full coverage of emergency and non-emergency transportation to and from a certified provider for a BadgerCare Plus covered service.	Coverage limited to emergency transportation by ambulance.	Coverage limited to emergency transportation by ambulance.
<ul style="list-style-type: none"> - \$2 co-payment for non-emergency ambulance trips - \$1 co-payment per trip for transportation by SMV - No co-payment for transportation by common carrier or emergency ambulance 	\$50 co-payment per trip	No co-payment

***An enhanced Core benefit, the Core Plus benefit, will be available to Core members through an additional buy-up option. The Core Plus benefit will include all Core benefits as well as: mental health and substance abuse services (limited to 20 visits per year), comprehensive dental services, vision services, including eyeglasses, and limited chiropractic services.

APPENDIX C – BUDGET NEUTRALITY

Table 1: Federal Funds With and Without Waiver

WITH WAIVER	Historical Data			Base Year	Demonstration Period					TOTAL Demo
	FFY2005	FFY2006	FFY2007	FFY2008	FFY2009	FFY2010	FFY2011	FFY2012	FFY2013	
DSH Allotment Available	57,045,668	66,172,975	76,760,651	89,042,355	91,259,510	93,531,871	95,860,815	98,247,749	100,694,118	479,594,064
GAMP Payments	19,199,557	14,855,525	18,727,923	69,777,820	0	0	0	0	0	0
Each Payments	2,769,032	2,509,120	2,046,508	3,191,767	2,819,365	2,867,320	2,867,320	2,867,320	2,867,320	14,288,643
Rate Based DSH	9,721,269	4,913,368	5,468,873	6,602,987	5,938,000	6,039,000	6,039,000	6,039,000	6,039,000	30,094,000
Childless Adults Reserve/ Uncompensated Care	0	0	3,232,688	9,469,781	63,447,912	21,590,546	4,797,997	4,560,189	4,297,960	98,694,605
Total DSH Exp.	31,689,858	22,278,013	29,475,992	89,042,355	72,205,277	30,496,866	13,704,317	13,466,509	13,204,279	143,077,248
Childless Adults Cost	0	0	0	0	19,054,232	63,035,006	82,156,498	84,781,241	87,489,839	336,516,816
Member Months	0	0	0	0	178,147	434,753	489,600	489,600	489,600	2,081,700
Average Enrollees	0	0	0	0	14,846	36,229	40,800	40,800	40,800	34,695
Total Expenditures With Waiver					91,259,510	93,531,871	95,860,815	98,247,749	100,694,118	479,594,064
Savings With Waiver				0	0	0	0	0	0	0

WITHOUT WAIVER	Historical Data			Base Year	Demonstration Period					TOTAL Demo
	FFY2005	FFY2006	FFY2007	FFY2008	FFY2009	FFY2010	FFY2011	FFY2012	FFY2013	
DSH Allotment Available	57,045,668	66,172,975	76,760,651	89,042,355	91,259,510	93,531,871	95,860,815	98,247,749	100,694,118	479,594,064
GAMP Payments	19,199,557	14,855,525	18,727,923	69,777,820	18,727,923	18,727,923	18,727,923	18,727,923	18,727,923	93,639,615
Each Payments	2,769,032	2,509,120	2,046,508	3,191,767	2,819,365	2,867,320	2,867,320	2,867,320	2,867,320	14,288,643
Rate Based DSH	9,721,269	4,913,368	5,468,873	6,602,987	5,938,000	6,039,000	6,039,000	6,039,000	6,039,000	30,094,000
DSH Funding for Uncompensated Care	0	0	3,232,688	9,469,781	63,774,222	65,897,629	68,226,572	70,613,507	73,059,876	341,571,806
Total Expenditures Without Waiver	31,689,858	22,278,013	29,475,992	89,042,355	91,259,510	93,531,872	95,860,815	98,247,750	100,694,118	479,594,064
Savings Without Waiver				0	0	0	0	0	0	0

Table 2: All Funds With and Without Waiver

WITH WAIVER	Historical Data			Base Year	Demonstration Period					
	FFY2005	FFY2006	FFY2007	FFY2008	FFY2009	FFY2010	FFY2011	FFY2012	FFY2013	TOTAL Demo
DSH Allotment Available	97,814,931	114,783,998	133,566,471	154,533,764	153,687,285	154,879,734	158,736,239	162,688,772	166,739,722	796,731,752
GAMP Payments	32,921,051	25,768,474	32,587,303	121,100,000	0	0	0	0	0	0
EACH Payments	4,747,997	4,352,333	3,561,003	5,539,338	4,748,004	4,748,004	4,748,004	4,748,004	4,748,004	23,740,020
Rate Based DSH	16,668,843	8,522,755	9,516,049	11,459,540	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	50,000,000
Childless Adults Reserve/ Uncompensated Care	0	0	5,625,000	16,434,886	106,850,644	35,751,857	7,945,020	7,551,232	7,117,005	165,215,758
Total DSH Exp.	54,337,891	38,643,562	51,289,355	154,533,764	121,598,648	50,499,861	22,693,024	22,299,236	21,865,009	238,955,778
Childless Adults Cost	0	0	0	0	32,088,637	104,379,873	136,043,216	140,389,536	144,874,713	557,775,975
Member Months	0	0	0	0	108,635	381,865	489,600	489,600	489,600	1,959,300
Average Enrollees	0	0	0	0	9,053	31,822	40,800	40,800	40,800	32,655
Total Expenditures With Waiver					153,687,285	154,879,734	158,736,239	162,688,772	166,739,722	796,731,752
Savings With Waiver				0	0	0	0	0	0	0

WITHOUT WAIVER	History			Base Year	Demonstration Period					
	FFY2005	FFY2006	FFY2007	FFY2008	FFY2009	FFY2010	FFY2011	FFY2012	FFY2013	TOTAL Demo
DSH Allotment Available	97,814,931	114,783,998	133,566,471	154,533,764	153,687,285	154,879,734	158,736,239	162,688,772	166,739,722	796,731,752
GAMP Payments	32,921,051	25,768,474	32,587,303	121,100,000	32,587,303	32,587,303	32,587,303	32,587,303	32,587,303	162,936,515
EACH Payments	4,747,997	4,352,333	3,561,003	5,539,338	4,748,004	4,748,004	4,748,004	4,748,004	4,748,004	23,740,020
Rate Based DSH	16,668,843	8,522,755	9,516,049	11,459,540	10,000,000	10,000,000	10,000,000	10,000,000	10,000,000	50,000,000
DSH Funding for Uncompensated Care	0	0	5,625,000	16,434,886	106,351,978	107,544,427	111,400,932	115,353,465	119,404,415	560,055,217
Total Expenditures Without Waiver	54,337,891	38,643,562	51,289,355	154,533,764	153,687,285	154,879,734	158,736,239	162,688,772	166,739,722	796,731,752
Savings Without Waiver					0	0	0	0	0	0

Table 3: PMPM for Childless Adults By Population

Group	Population	% of Est. Enrollment	Enrolled in BC+	2009 Cost for BC Adults Population	Cost Indices to Exp. Pop.	Estimated Cost for Population
GAMP	15,000	100%	15,000	188.77	1.7992	339.64
Childless Adults	66,000	39%	25,800	188.77	1	188.77
Total	81,000		40,800		1.29	244.24

Total PMPM For Childless Adults	244.24
GPR	98.60
FED	145.64

Cost Indicator for GAMP Childless Adults	
WI Composite MA PMPM	190.5
WI Children PMPM	88.91
WI Adults PMPM	240.45
Ratio of adult rate to family rate	1.26
Oregon Families	211.81
Oregon Adults	267.35
Oregon Childless Adults	481.02
Ratio of Family Adults to CA	1.80

Table 4: PMPM Trend Rate (Adults in BadgerCare below 100% FPL)

<u>CY2005</u>	<u>CY2006</u>	<u>CY2007</u>
257.19	257.53	262.67
0.07	0.00	0.02

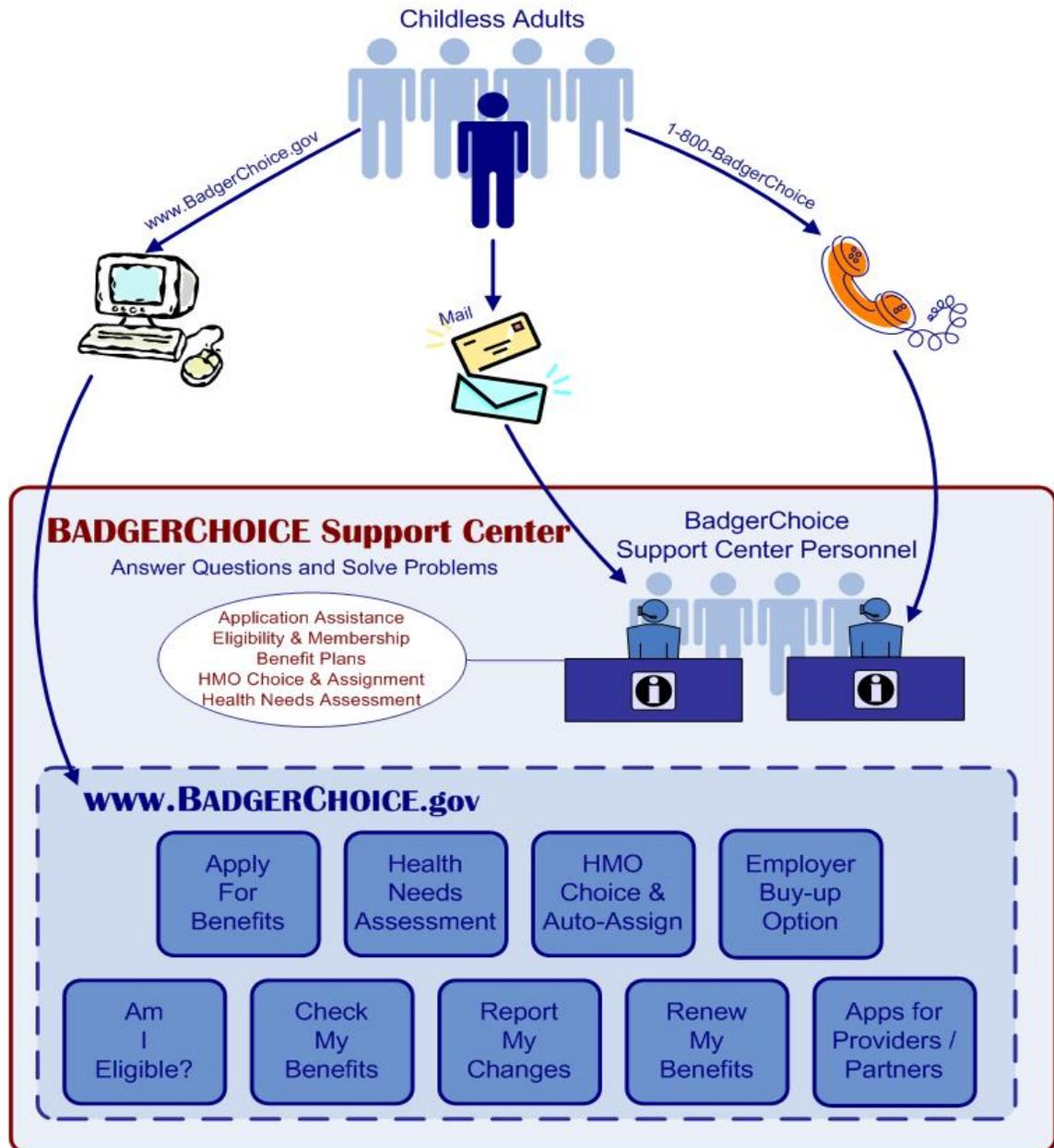
Average Growth Rate	3.19%
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Table 5: FMAP Rates

Calendar Year		
	FED	GPR
CY05	0.5815	0.4185
CY06	0.5761	0.4239
CY07	0.5751	0.4249
CY08	0.5806	0.4194
CY09	0.5963	0.4037

Federal Fiscal Year		
	FED	GPR
FFY05	0.5832	0.4168
FFY06	0.5765	0.4235
FFY07	0.5747	0.4253
FFY08	0.5762	0.4238
FFY09	0.5938	0.4062
FFY10	0.6039	0.3961

APPENDIX D – BADGERCHOICE



APPENDIX E – PROGRAM COORDINATION

AIDS Drug Assistance Program

The AIDS Drug Assistance Program (ADAP) reimburses individuals with incomes at or below 300 % FPL for HIV/AIDS-related drug therapies. Participants must be state residents and have a physician-certified HIV infection. Only certain medications are covered. BadgerCare Plus will not cover drugs on the ADAP program formulary.

In Wisconsin, the Ryan White program funds the AIDS Drug Assistance Program (ADAP) and certain medical and support services. Medicaid is the primary payer in relationship to the Ryan White program. This arrangement will continue under the demonstration project. The core benefit will cover some services that had been covered by the Ryan White program, e.g., outpatient medical services, such that the Ryan White funds will likely be freed up to serve additional members. The core benefit will cover generic drugs with a \$5 copayment, capped at \$20 per member per month. ADAP will wrap-around the core plan drug benefit and provide coverage for brand name drugs on the ADAP formulary. Other brand name drugs not on the ADAP formulary may be covered by BadgerRx Gold.

Family Planning Waiver

Wisconsin's Family Planning Waiver (FPW) provides coverage of family planning services to women ages 15 to 44 and is planned to cover men as well. The coverage includes office visits for family planning, family planning supplies, testing & treatment for sexually transmitted diseases, and Pap tests. The State will exclude family planning services under the BadgerCare Plus Core benefit. Female childless adults between the ages of 19-44 have full coverage of family planning services, including brand name and prescription contraceptives, through the state's existing Family Planning Waiver.

As currently allowed in Medicaid and BadgerCare Plus, women desiring to obtain family planning services outside of the HMO would be allowed to obtain those services from family planning clinics through the FPW. Eligibility for the FPW for women that may also be eligible for Childless Adults will be processed centrally like all other Childless Adult applications. Local agencies will continue to determine FPW eligibility for minors.

General Assistance Medical Program

BadgerCare Plus will replace the current Milwaukee County General Assistance Medical Program (GAMP). GAMP is a county administered program providing general medical services to low-income, uninsured Milwaukee County residents who are otherwise not eligible for Medicaid or BadgerCare Plus. GAMP is funded through a combination of State, federal, and local funds. GAMP is primarily funded through Disproportionate Share Hospital (DSH) payments which would be phased out under this new initiative. GAMP income eligibility requirements are established at about 100-125 % FPL, depending on family size. To enroll in the program, a person must complete an application and pay a \$50

non-refundable application fee. Persons are eligible for six months and must reapply if they wish to continue on the program. GAMP covers primary care, pharmacy, specialty care, diagnostics and lab, and inpatient hospitalization.

Based on current eligibility requirements for GAMP, it is anticipated that nearly all GAMP participants will be eligible for BadgerCare Plus as childless adults. As such, all persons enrolled in GAMP and other counties' general assistance medical programs at the time the expansion is implemented will be automatically enrolled in BadgerCare Plus. At any given point in time, there are between 7,000 and 10,000 individuals enrolled in GAMP. Wisconsin will work with Milwaukee County to arrange for exchange of eligibility information that will allow the State to establish eligibility files and verify information for GAMP participants transitioning to BadgerCare Plus.

Application fees for this conversion group will be waived. The State will also work with Milwaukee County and the provider community to retain some level of local staff resources during the transition period to ensure that people do not inadvertently experience gaps in coverage as they move from GAMP to BadgerCare Plus and establish a system of referral for persons who present to Milwaukee County or the GAMP network of providers and are interested in or in need of health care coverage after January 1, 2009.

Another key element of the transition of GAMP participants to BadgerCare Plus will be continuity of care. Because primary care clinics are the cornerstone of the GAMP provider network, the State will work closely with these clinics, as well as hospital providers, to develop a plan for ensuring that GAMP participants receive continuity of care during the transition to BadgerCare Plus. A combination of past services provided and a version of the Health Needs Assessment will be used to assist in HMO selection. The State will also cover brand name mental health drugs for this group to ensure adequate and manageable treatment outcomes.

Health Insurance Risk Sharing Plan

The Health Insurance Risk Sharing Plan (HIRSP) offers health insurance to Wisconsin residents who are unable to find adequate health insurance coverage in the private market due to their medical conditions, or who have lost their employer-subsidized group health insurance. Current BadgerCare Plus participants are not allowed to enroll in HIRSP.

However, BadgerCare Plus childless adults may enroll in HIRSP if they meet the other conditions of the HIRSP program, but may be subject to a six-month limitation on coverage for preexisting conditions. Childless adults already enrolled in HIRSP could switch to BadgerCare Plus. There are no state rules or laws prohibiting a childless adult enrolled in HIRSP from switching to BadgerCare Plus. It is entirely the individual's choice about whether to enroll in HIRSP or BadgerCare Plus.

There are two reasons HIRSP coverage should be considered a hardship exception and the one-year period of no insurance coverage should be waived. First, HIRSP premiums, co-pays, and deductibles are substantial and burdensome for low-income individuals. It is estimated that individuals enrolled

in HIRSP with income below \$10,000 pay more than 50 % of their income in premiums and cost-sharing. Second, the rationale for crowd-out policies is to reduce crowd-out of the private insurance market. HIRSP is not private-market insurance; rather, it is a quasi-governmental, non-profit authority created by the State to address the gaps in the private market. The State will continue to analyze issues and options to allow consumers to select whichever plan better meets their needs.

Wisconsin Chronic Disease Program

The Wisconsin Chronic Disease Program (WCDP) is an entirely state-funded program that pays health care providers for disease-related services for individuals with chronic renal disease, adult cystic fibrosis, and hemophilia. WCDP covers certain disease-related services and supplies after all other sources of payment have been used. WCDP recipients are required to enroll in Medicaid, BadgerCare, or SeniorCare if they qualify for those programs. Childless adults can enroll in WCDP if they are not already on Medicare. Approximately 85% of WCDP participants are also on Medicare. Individuals enrolled in both BadgerCare Plus and WCDP will pay cost-sharing for both programs. WCDP will be the payer of last resort. Enrollment in BadgerCare Plus will not be required.

Wisconsin Well Woman Program

The Wisconsin Well Woman Program (WWWP) provides breast and cervical cancer screening services for women ages 44 to 65 (women ages 35 to 44 can obtain services under special circumstances), at or below 250 % FPL, who have no health insurance or whose health insurance does not cover screening services. It is funded by the Centers for Disease Control. Federal regulations prevent enrollees from participating in both WWWP and BadgerCare Plus.

Well Woman Medicaid is a component of Wisconsin's Medicaid program that provides treatment for breast and cervical cancers of WWWP clients whose cancer was diagnosed as a result of a program screening. Breast and cervical cancer screenings will be performed in any of three areas: 1) Wisconsin Well Woman Program, 2) Family Planning, or 3) BadgerCare Plus. Childless adults requiring treatment for breast and cervical cancers will be transferred into the Well Woman Medicaid program for full service benefits and treatment.

Appendix F: General Assistance Medical Program Information

County Name	Number of individuals served	Total calendar year cost of medical program	Benefits Covered by Program
Adams	13	\$12,591	Prescription drugs, clinic visits, radiology/X-rays, dental (limited), hospital
Barron	0	\$0	Prescription for health or dental emergencies, where it is a threat to health.
Bayfield	1	\$1,370	Prescription drugs only.
Calumet	9	\$2,639	Physician appointments, Prescription drugs, Non-covered emergency room visits, hospital
Chippewa	8	\$1,181	General prescription, any MA related expense for individuals who are not MA eligible. Annual limit of \$500.
Crawford	2	\$2,129	Medical and non-medical
Dane	93	\$111,941	Pharmacy only under the medical program. Psychiatric medications were an additional \$54,236
Douglas	0	\$0	Prescription. Case by case basis. No Emergency Med.
Dunn	87	\$65,813	Prescription drugs, Emergency Room, basic medical care that can't be postponed without risk to participant.
Dodge	0	\$0	Preauthorized Psychiatric Drugs
Eau Claire	19	\$5,188	Medical services limited to following: Dental Services – Dental extractions for infected teeth posing a serious threat to health. Prescription medications – Non-psychotropic medications that are not available through other resources. A one-month supply is the maximum amount to be approved per authorization. Requests for psychotropic medications are referred to the Department's Adult Intake Unit.

Fond du Lac	11	\$24,070	Burials not covered by the Wisconsin Funeral and Cemetery Aids Program.
Iowa	17	\$18,889	Benefits are the same as MA, except Emergency is limited to only care at Upland Hills Hospital (local hospital)
Juneau	0	\$0	Non-emergency medical and prescriptions up to \$400 in a calendar year, but only with prior authorization from the agency.
Manitowoc	0	\$0	
Monroe	60	\$15,272	Health insurance premium payment. Drug prescription or other medical.
Ozaukee	0	\$0	Office visits to a designated provider and medication.
Price	0	\$0	No data available.
Richland	21	\$9,900	No emergency medical, dental only to alleviate pain, prescription drugs, chiropractic (one month only), hospital and outpatient office to local facilities only (for life threatening, immediate care or to alleviate pain as prescribed by local physician).
St. Croix	1	\$829	Mostly drugs/life threatening, medical and burials.
Sauk	8	\$5,731	Essential medical expenses when documented by physician that an individual is in a life threatening situation. Mostly cover prescriptions.
Sawyer	0	\$0	No data available.
Sheboygan	20	\$8,083	Physician appointments and prescription drugs.
Taylor	0	\$0	No data available.
Winnebago	626	\$174,158	Specific medical problems
Washington	2	\$211	Office visit, Prescription, dental to relieve pain, no hospital.
Totals	998	\$459,995	

Wisconsin counties and tribes that do not operate a general assistance medical program:

Ashland	Marinette
Bad River Tribe	Marquette
Buffalo	Menominee
Burnett	Oneida
Brown	Oconto
Clark	Outagamie
Columbia	Pepin
Door	Pierce
Florence	Polk
Forest	Portage
Iron	Racine
Grant	Rock
Green	Rusk
Green Lake	Shawano
Jackson	Trempealeau
Jefferson	Vernon
Kenosha	Vilas
Kewaunee	Walworth
Lacrosse	Washburn
Lafayette	Waukesha
Langlade	Waupaca
Lincoln	Waushara
Marathon	Wood