# FACT SHEET

## WISCONSIN- BADGERCARE PLUS- HEALTH INSURANCE FOR CHILDLESS ADULTS

| | |
|---|---|
| **Name of Section 1115 Demonstration:** | BadgerCare Plus Health Insurance for Childless Adults |
| **Waiver Number** | 11-W-00242/5 |
| **Date Proposal Submitted:** | July 1, 2008 |
| **Date Proposal Approved:** | December 31, 2008 |
| **Date Implemented:** | January 1, 2009 |
| **Date Expires:** | December 31, 2013 |

## SUMMARY

The demonstration population consists of the most chronically uninsured population: adults without dependent children, between the ages of 19 and 64 and with incomes that do not exceed 200 percent of the Federal Poverty Level (FPL). The program includes new and innovative features including, 1) centralized eligibility and enrollment functions, 2) requirement for participants to complete a health needs assessment that will be used to match enrollees with health maintenance organizations (HMOs) and providers that meet the individual's specific health care needs, 3) the tiering of health plans based on quality of care indicators, and 4) enhanced online and telephone application tools that will empower childless adults to choose from a variety of health insurance options.

## ADMINISTRATION

The Department of Health and Family Services will administer the program. The State plans to have the childless adults' demonstration participants enroll via the Enrollment Services Center using either electronic or telephonic applications. The State plans to have the Enrollment Services Center perform various functions for childless adults: ***process applications, renewals, and changes; answer questions and resolve problems for members and prospective members***. The Enrollment Services Center will include both public workers and vendor staff. Public workers will be responsible for determining eligibility for BadgerCare Plus and handing all data exchanges. Currently, local county offices are responsible for eligibility and enrollment into Wisconsin's other State health care programs.

## ELIGIBILITY

- Non-disabled childless adults 19 to 64 years with income below 200 % of the FPL, who have no dependent minor children, are not pregnant, disabled, or qualified for any Medicaid, Medicare or SCHIP program.

- Childless adults that qualify for BadgerCare Plus will remain eligible for 12 continuous months unless they become eligible for other Medicaid or SCHIP coverage or no longer reside in the State of Wisconsin

- All enrollees will be required to complete a health needs assessment questionnaire related to basic health history and health conditions in order to assist the State with matching the applicant to HMOs and providers that can serve their needs.

- All enrollees will be required to obtain a physical exam in the first year of enrollment as a condition of continued enrollment in BadgerCare Plus. Failure to obtain an exam within the first year of enrollment will result in termination of membership and a six –month waiting period before individuals can renew their membership in BadgerCare Plus.

## DELIVERY SYSTEM

- **Prepaid Health Maintenance Organizations (HMO**). The State will utilize the current HMO provider network that provides health care services to the existing Medicaid and Badgercare Plus programs in most of the State to serve persons eligible under this demonstration. Demonstration enrollees may be required to join an HMO as a condition of eligibility, as long as there is at least one HMO available in their county of residence and the county has been granted a rural exception under Medicaid state plan authority. The State can mandate enrollment into the single HMO in the counties that have been granted the rural exception. If the county has not been granted a rural exception then the State must offer the option of either HMO enrollment or Medicaid fee-for-service. Demonstration eligibles who are not enrolled in HMOs must be provided a Medicaid card or other means to access the Medicaid qualified providers on a fee-for-service basis.

- Tiered Health Plans – The State proposes to use pay for performance as a mechanism to rate the health plan quality. Health Plans will be designated as Tier 1- preferred plans or Tier 2. ***Enrollees will be encouraged to select Tier 1 health plans as providers, which are the ones that offer the best values.***

## BENEFITS

The demonstration will offer the Core Benefit Plan upon the initial implementation which includes the following services:

a) Physician services including primary and preventive care, specialists for surgical and medical services, and chronic disease management;

b) Diagnostic services including laboratory and radiology;

c) Inpatient hospital stays and outpatient hospital visits (excluding inpatient psychiatric stays in either an IMD or the psychiatric ward of an acute care hospital);

d) Emergency outpatient services including emergency dental and ambulance transportation service;

e) Generic drugs; selected over-the-counter drugs, limited brand name drugs and brand name drugs through a Medicaid pharmacy benefit plan (brand name mental health drugs for individuals converting from the GAMP and GA medical programs in December 2008 must be covered, irrespective of any limits otherwise imposed, for as long as such individuals are enrolled in the BadgerCare Plus for Childless Adults waiver program);

f) Physical, occupational, and speech therapy, limited to 20 visits annually per discipline;

g) Durable medical equipment limited to $2,500; and

h) Disposable medical supplies, including diabetic pens, syringes and disposable medical supplies that is required with use of durable medical equipment (no limit).

In addition, the State has requested the authority to make benefit modifications to the above Core Benefit Plan based upon recommendations from a Clinical Advisory Committee on Health and Emerging Technology (CACHET).

## COST SHARING

The State will require both an ***application fee*** and ***co-payments*** for services from demonstration enrollees.

### *Application Fee*

The BadgerCare Plus program will require an annual (non-refundable) application fee for all childless adults as follows:

| APPLICATION FEE | | |
|---|---|---|
| **Demonstration Eligibiles** | **Tier I HMO** | **Tier II HMO** |
| Childless adults with an income that does not exceed 200 % of the FPL | $60 | $75 |

### *Co-Payments for Services*

All enrollees may be required to pay co-payments when accessing non-institutional, outpatient hospital, inpatients hospital, emergency room and pharmacy. These co-payments are collected by health care providers at point-of-service, who may be allowed to deny service if the required co-payment is not paid. The amount of the maximum co-payments is based upon the enrollees' income level as summarized in the chart below.

| Federal Poverty Level | Non-Institutional Services | Pharmacy | Outpatient Hospital | Emergency Room Services | Inpatient Hospital |
|---|---|---|---|---|---|
| Up to 100 % of the FPL | $0.50 up to $3 per service | $5 | $3 per visit | No co-payment | $3 per day up to $75 per stay |
| Above 100 % but does not exceed 200% of the FPL | $0.50 up to $15 per service | $5-$15 | Up to $15 | $60 | $3 per day up to $100 per stay |

***Total cost sharing for non-institutional , hospital services (both inpatient and outpatient), pharmacy and emergency room services is limited annually up to $300 for incomes up to 100% of the FPL and limited annually up to $500 for incomes above 100% but not exceeding 200% of the FPL**

## QUALITY AND EVALUATION PLAN

The State plans to conduct a rigorous external evaluation of the expansion to childless adults. Components of the evaluation will include a review of the member satisfaction, program cost-effectiveness and the effect of tiering HMOs on Medicaid managed care.

## FUNDING SOURCE

Disproportionate Share Hospital (DSH) Diversion – The State will start in FFY 2009 diverting a portion of the annual DSH allotment in order to fund this demonstration that expands healthcare coverage to childless adults.