

Medicaid Hospital Advisory Group



Division of Medicaid Services
Bureau of Fiscal Management

May 9, 2017

Wisconsin Department of Health Services

Agenda

- Additional Updates – Childless Adult Waiver
- Inpatient & Outpatient Quarterly Dashboard
- Rate Year 2018 Updates
- Potentially Preventable Readmissions (PPR) Updates
- Additional Updates, contd.
- Public Comment
- Adjournment



Childless Adult Waiver

Current Waiver – Background

Starting January 1, 2014, the Center for Medicare and Medicaid Services (CMS) granted Wisconsin approval to:

- ❑ Cover the childless adult population with no waitlist for the first time in state history.
- ❑ Test the impact of providing Transitional Medical Assistance (TMA) to individuals who are paying premiums that align with Marketplace insurance.



Current Waiver – Childless Adult Population

- ❑ Defined as non-pregnant adults without dependent children ages 19 to 64.
- ❑ Household income limit up to 100 percent federal poverty level (FPL).
- ❑ Standard benefit plan coverage.
- ❑ Enrollment is not capped and is currently approximately 148,000.



State Legislation

- The Wisconsin 2015-2017 biennial budget (Act 55) requires the Wisconsin Department of Health Services (DHS) to submit to the federal Department of Health and Human Services an amendment to the BadgerCare Reform Demonstration Waiver.
- There are five policy changes pertaining only to the childless adult population that must be included in the amendment request.



Act 55 Amendment Proposals

- ❑ Establish monthly premiums.
- ❑ Establish lower premiums for members engaged in healthy behaviors.
- ❑ Require completion of a health risk assessment.
- ❑ Limit a member's eligibility to no more than 48 months.
- ❑ Require, as a condition of eligibility, that an applicant or member complete a drug screening, and, if indicated, a drug test.



Non-Act 55 Amendment Proposals

- ❑ Charge an increased copayment for emergency department utilization for childless adults.
- ❑ Establish a work component for childless adults.
- ❑ Provide full coverage of residential substance use disorder treatment for all BadgerCare Plus and Medicaid members.



Project Objectives

- ❑ Ensure that every Wisconsin resident has access to affordable health insurance to reduce the state's uninsured rate.
- ❑ Create a medical assistance program that is sustainable so a health care safety net is available to those who need it most.
- ❑ Expand the use of integrated health care for all individuals.
- ❑ Establish greater accountability for improved health care value.



Project Objectives

- ❑ Empower members to become active consumers of health care services to help improve their health outcomes.
- ❑ Help more Wisconsin citizens become independent and be able to rely less on government-sponsored health insurance.
- ❑ Design a medical assistance program that aligns with commercial health insurance design to support members' transition from public to commercial health care coverage.



Monthly Premiums

- ❑ Premiums will help better align the member experience with that of private health care in Wisconsin.
- ❑ Requiring payments directly from members will help to actively engage members in appropriate health care utilization and value.
- ❑ If approved, the following premium policy will apply to the childless adult population:



Monthly Premiums

Household Income	Monthly Premium Amount
0 to 20 percent of FPL	No premium
21 to 50 percent of FPL	\$1 per household
51 to 80 percent of FPL	\$5 per household
81 to 100 percent of FPL	\$10 per household



Premium Payment Requirements

- ❑ Members with outstanding premiums will not be eligible for annual re-enrollment for six months or until all premiums are paid in full.
- ❑ Premiums can be paid at anytime during the six-month period to regain eligibility.
- ❑ After the six-month period, individuals may regain eligibility even if they have unpaid premiums.
- ❑ Premiums may be paid by third parties, including nonprofits, etc.



Healthy Behavior Incentives

- ❑ Members will be provided the opportunity to reduce their premiums by choosing healthy behaviors.
- ❑ Rewarding members' healthy behavior will empower them to be actively engaged in their health care.
- ❑ It will also improve accountability and lower health care costs and follow similar programs adopted in the private market.
- ❑ Those engaging in healthy behavior would have the standard premium reduced by 50%.



Health Risk Assessment (HRA)

An HRA will be required on an annual basis.

- ❑ Members will self-attest to their behaviors.
- ❑ If a member does not complete the HRA, then the member would be subject to the standard premium.
- ❑ Members can self-attest to their active management of a health risk behavior.
- ❑ Members can self-attest to an underlying health condition that affects a health risk measure.



Healthy Behavior Incentives

Health Risk Behaviors	Risk Measurement	Identification Tool
<ul style="list-style-type: none">• Alcohol consumption• Body weight• Illicit drug use• Seatbelt use• Tobacco use	Threshold of when a behavior is determined as posing a health risk will follow national health organizations standards.	HRA



Healthy Behavior Incentives

Reduced Premium (by half)	Standard Premium
<ul style="list-style-type: none">• Members not engaging in any health risk behaviors.• Members engaging in health risk behavior(s) but who attest to actively managing their behavior.• Members engaging in health risk behaviors(s) but who attest to having a condition beyond their control impacting the health risk measurement.	<p>Members engaging in health risk behavior(s) and not actively managing their behavior(s).</p>



Emergency Department Copay

- To promote appropriate use of health care services and behavior that is mindful of health care value.
- Members who use the emergency department will pay an \$8 copay for the first visit and a \$25 copay for subsequent visits during a 12-month period.



Time Limit on Medicaid Eligibility

Aligns with program goals:

- ❑ Provides assistance to individuals most in need.
- ❑ Promotes employer-sponsored insurance.
- ❑ Helps people move from dependence to independence.
- ❑ Promotes work and training to move to nongovernment programs.



48-Month Eligibility Time Limit

- ❑ Members enrollment is limited to 48 months.
- ❑ The 48-month count will begin on the effective date of policy implementation for all childless adults currently enrolled in BadgerCare.
- ❑ For members who enroll in BadgerCare after the 48-month limit has been implemented, the time limit count will begin on the date of initial program enrollment.



48-Month Eligibility Time Limit

- After 48 months of enrollment, a member will not be eligible for health care benefits for six months.
- There will be exemptions to the 48-month count.



Work Component

- Members ages 19 to 49 who fulfill a work requirement while receiving Medicaid benefits will not have this enrollment time calculated in their 48-month eligibility time limit.
- The 48-month count will stop during the time a member works and/or receives job training for at least 80 hours per month.



Work Component

Aligns with program goals:

- ❑ Encourages members to seek work and reach self-sufficiency.
- ❑ Empowers citizens to obtain skills and training to secure full-time employment.
- ❑ Aligns with Wisconsin's FoodShare Employment and Training (FSET) program.



Exemptions From Work Component

- ❑ The member is diagnosed with a mental illness.
- ❑ The member receives Social Security Disability Insurance (SSDI).
- ❑ The member is a primary caregiver for a person who cannot care for himself or herself.
- ❑ The member is physically or mentally unable to work.



Exemptions From Work Component

- ❑ The member is receiving or has applied for unemployment insurance.
- ❑ The member is taking part in an alcohol or other drug abuse (AODA) treatment program.
- ❑ The member is enrolled in an institution of higher learning at least half-time.
- ❑ The member is a high school student age 19 or older attending high school at least half-time.



Substance Abuse Identification and Treatment

- ❑ Substance abuse is a major public health issue in Wisconsin and across the nation.
- ❑ Since 2013, 17 bills have been passed in Wisconsin that address substance abuse.
- ❑ In 2016, the Governor created the Task Force on Opioid Abuse to address these challenges.
- ❑ In 2017, 9 bills on substance abuse have passed the Assembly.
- ❑ Medicaid is Wisconsin's largest health care program and plays a key role in identifying affected individuals and assisting them with treatment.



Substance Abuse Identification and Treatment

Requires, as a condition of eligibility, that an applicant or member submit to a drug screening assessment and, if indicated, a drug test.

- ❑ Individuals will not lose coverage or eligibility if they test positive, as the policy goal is to connect those with substance use disorder to treatment.
- ❑ The drug screening assessment will be a questionnaire regarding members current and prior use of controlled substances.
- ❑ Screening will be completed at the time of application and annual redetermination.



Substance Abuse Identification and Treatment

Requirement	Impact of Requirement Results	Consequence for Refusal to Complete Requirement
Drug Screening Assessment	<p><u>Negative Result:</u> Eligible for health care benefits with no further action required</p> <p><u>Positive Result:</u> Eligible for health care benefits AND required to submit to a drug test</p>	Ineligible for health care benefits until the assessment is completed
Drug Test	<p><u>Negative Result:</u> Eligible for health care benefits with no further action required</p> <p><u>Positive Result:</u> Eligible for health care benefits AND required to participate in substance abuse treatment</p>	Ineligible for health care benefits until the drug test is submitted
Substance Abuse Treatment	Full completion of substance abuse treatment program	Ineligible for health care benefits and may reapply for benefits after a six-month period



Substance Use Disorder Residential Treatment

Under current federal policy, residential substance abuse treatment is not fully covered, presenting a barrier to continuity of care and limiting access to appropriate levels of care for individuals with substance use disorders.



Substance Use Disorder Residential Treatment

DHS is requesting the following for all BadgerCare Plus and Medicaid members:

- ❑ Residential substance use disorder treatment waiver of the federal exclusion for institution for mental disease (IMD) reimbursement.
- ❑ A waiver of the 15-day limit for IMD coverage found in Medicaid managed care regulations.



Budget Neutrality

- ❑ Federal policy requires Section 1115 demonstration waivers be budget neutral to the federal government.
- ❑ Wisconsin proposes to use a per-member per-month (PMPM) methodology to determine and achieve budget neutrality.



Proposed Timeline

Major Milestone	Tentative Date
Public Notice Issued	April 19, 2017
Public Hearings	April 26, 2017 May 1, 2017
Tribal Consultation	May 1, 2017
Public Comment Period Closed	May 19, 2017
Review Public Comments/Edit Draft Waiver Amendment Application	May 19 – May 26, 2017
Waiver Amendment Application Submitted to CMS	May 26, 2017
CMS Approval	By end of 2017
Amendment Effective Date	At least a year from CMS Approval



Comments

- ❑ All comments that are properly submitted will be given equal weight regardless of the method in which they are submitted.
- ❑ Comments may be submitted through May 19, 2017
 - Online: <https://www.dhs.wisconsin.gov/badgercareplus/waivers-cla.htm>
 - Email: Wisconsin1115CLAWaiver@dhs.wisconsin.gov



Comments

Comments may also be submitted by:

□ Fax: 608-266-1096

□ Mail:

Al Matano

Division of Medicaid Services

P.O. Box 309

Madison, WI 53707-0309

Note: You may provide comments in your desired language.



Inpatient and Outpatient Dashboard

- Updated dashboard reflecting dates of service (discharge) in SFY 2017
- SFY Q3 reflects new rate setting period
- Data extracted on 4/11/17
- Handout #1



Rate Year 2018 Updates

- Data extraction for rate setting purposes occurs first week of June
- CMS HCRIS release on 4/19/2017 will reflect most currently available cost reports (Handout #2)
- Grouper versions updates:
 - APR DRG v34 (Handout #3)
 - EAPG v3.12 (Handout #4)
- Removal of one year transitional corridor



Rate Year 2018 Updates

□ APR DRG v34

New DRGs		Retired DRGs	
181	LOWER EXTREMITY ARTERIAL PROCEDURES	173	OTHER VASCULAR PROCEDURES
182	OTHER PERIPHERAL VASCULAR PROCEDURES	460	RENAL FAILURE
322	SHOULDER & ELBOW JOINT REPLACEMENT	693	CHEMOTHERAPY
469	ACUTE KIDNEY INJURY		
470	CHRONIC KIDNEY DISEASE		
695	CHEMOTHERAPY FOR ACUTE LEUKEMIA		
696	OTHER CHEMOTHERAPY		

□ EAPG v3.12

Retired EAPGs	
492	ADMISSION FOR OBSERVATION INDICATOR
500	DIRECT ADMISSION FOR OBSERVATION - OBSTETRICAL
501	DIRECT ADMISSION FOR OBSERVATION - OTHER DIAGNOSES
502	DIRECT REFERRAL FOR OBSERVATION - BEHAVIORAL HEALTH



Rate Year 2018 Updates

□ 3M EAPG v3.12 Change Report

"All Observation Visit Indicator (EAPG 492) procedure codes are moved to EAPG 491 (Medical Visit Indicator), which expands the Medical Visit logic to incorporate observation visits, and eliminates the need for observation visit EAPGs 500, 501 and 502. The reporting of observation for duration of time spent remains the same with EAPG 450. The final medical EAPG for the visit is assigned based on the reported principal diagnosis when either directly evaluated and/or referred for observation, and the separate EAPG 450 is assigned for duration of time under observation services. Observation is always packaged if present with a significant procedure or per diem EAPG."



Rate Year 2018 Updates

- Continued review of :
 - Revenue code crosswalk process
 - LTAC provider rate setting process
 - Non-border, out of state provider rate setting process
 - Model parameters (e.g. trim point, outlier percent, service line adjustments, etc.)
 - Use of national weights



Potentially Preventable Readmissions Update

- ❑ P4P withhold no longer reflected on processed claims
- ❑ SFY15 data being distributed
- ❑ Next data release in summer
- ❑ Additional conversations on PPR modeling to come



Potentially Preventable Readmissions Update

- Under a PPR policy, it is important to appropriately document discharge status
- Handbook instructions have not changed

Patient Status Codes

The following patient status codes are accepted on claims submitted by inpatient hospital providers in most instances.

Patient Status Code	Description
02	Discharged/transferred to a short-term general hospital for inpatient care.
05	Discharged/transferred to another type of institution not defined elsewhere in this code list.
21	Discharged/transferred to court/law enforcement.
43	Discharged/transferred to a federal health care facility.
61	Discharged/transferred to hospital-based Medicare approved swing bed.

<https://www.forwardhealth.wi.gov/WIPortal/Subsystem/KW/Display.aspx?ia=1&p=1&sa=32&s=4&c=13>



Potentially Preventable Readmissions Update

- New ICD-10 codes can identify potential health hazards related to socioeconomic and psychosocial circumstances (Z55-Z65)
- Possible consideration for future PPR risk adjustments
 - Problems related to education and literacy (Z55)
 - Problems related to employment and unemployment (Z56)
 - Occupational exposure to risk factors (Z57)
 - **Problems related to housing and economic circumstances (Z59)**
 - Problems related to social environment (Z60)
 - Problems related to upbringing (Z62)
 - Oth prob rel to prim support group, inc family circumstances (Z63)
 - Problems related to certain psychosocial circumstances (Z64)
 - Problems related to other psychosocial circumstances (Z65)



Additional Updates

■ Department of Corrections Inpatient Reimbursement

- ▣ 2013 Wisconsin Act 20 required that Wisconsin Medicaid reimburse hospitals for state prison inmate inpatient hospital stays for dates of admission on and after April 1, 2014
- ▣ Current policy provides reimbursement at 49% of charges/billed amount
- ▣ This above-cost reimbursement is putting at risk the state's compliance with federal Upper Payment Limit requirements
- ▣ The state is proposing to instead reimburse at the state-wide cost to charge ratio: currently 37.5%
- ▣ Timeline: July 1, 2017 implementation



Additional Updates

- Wisconsin Medicaid financial system vendor HPE is now DXC





Request for Public Comment

Questions

Ben Nerad, Hospital Rate Setting and Policy Section Chief
Bureau of Fiscal Management
Division of Medicaid Services
Phone: (608) 261-8397
Benjamin.Nerad@wi.gov

All questions can be sent by email to:
DHSDMSBFM@dhs.Wisconsin.gov

