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To: Karen E. Timberlake, Secretary
Department of Health Services

From: Jason A. Helgerson, Medicaid Director
Division of Health Care Access and Accountability

Subject: CACHET Recommendations

The Clinical Advisory Committee on Health and Emerging Technology (CACHET) met on March 25, 2010 to discuss BadgerCare Plus Basic, review emerging technologies, and evaluate the BadgerCare Plus Core Plan benefit.

In advance of the meeting, the Division posted a public meeting notice indicating the meeting was open to the public at the State Office Building (1 W. Wilson) and Capitol Building, and issued a public meeting notice to the State Editors of the *Milwaukee Journal Sentinel* and *Wisconsin State Journal*. The public meeting notification followed the guidelines set forth in federal and state laws so as to ensure the broadest possible public access.

BadgerCare Plus Basic and Emerging Technologies

At that meeting, CACHET was asked to review and vote on coverage recommendations developed by DHCAA staff regarding:

- A compassionate care catastrophic benefit for Basic Plan members, which would allow Basic Plan members diagnosed with all types of cancer, except non-melanoma skin cancers, to bypass the Core Plan waitlist. These members would be automatically transitioned to the Core Plan unless they otherwise qualify for Well Woman or full-benefit Medicaid. The benefit would also extend to Basic members in need of a transplant. In order to implement this benefit, DHS would need to obtain a Core Plan waiver amendment from CMS. DHCAA staff recommended submitting a Core Plan waiver to CMS to meet this program need.
 - **CACHET Decision:**
 - CACHET members made a separate motion and voted for the compassionate care catastrophic benefit for members with cancer and for members in need of a transplant separately.
 - In regards to the compassionate care catastrophic benefit for members with cancer, CACHET voted to approve the staff recommendation.
 - In regards to the compassionate care catastrophic benefit for members in need of a transplant, CACHET voted to not approve the staff recommendation.

- Twenty-four new experimental medical services that were categorized by the American Medical Association as technologies that are not necessarily “endorsed, approved, safe, or have applicability to clinical practice.” DHCAA staff recommended against coverage of all 24 new experimental procedures for Wisconsin Medicaid and the BadgerCare Plus Standard Plan, Benchmark Plan and Core Plan. A description of the 24 experimental procedures is attached.
 - CACHET Decision:
 - CACHET voted to approve the staff recommendation.

- One new emerging procedure: CT colonography. Emerging procedures are generally more accepted among the medical community than experimental procedures. DHCAA staff recommended: 1) coverage of Category I CPT Code 74263 (Computed Tomographic [CT] Colonography, Screening, Including Image Postprocessing) and 2) setting the procedure cost ratio (CTC to optical colonoscopy without polypectomy) to ensure CTC screening remains at a minimum cost-neutral.
 - CACHET Decision:
 - CACHET voted to not approve the staff recommendation.
 - CACHET members made a separate motion and voted to create a committee workgroup to establish “coverage guidelines” for CT colonography and report back to the full committee at the August CACHET meeting.

BadgerCare Plus Core Plan

In regards to the BadgerCare Plus Core Plan benefit, the Committee reviewed a series of options to modify the Core Plan to include mental health and substance abuse coverage, and to offset plan costs and assist with maintaining budget neutrality. These options were developed based on requests from Committee members and other input the Division received about the needs of members in the Core Plan.

Prior to voting on the options, the Committee reviewed demographic and expenditure data for individuals enrolled in the Core Plan and Health Needs Assessment data for members that have applied for the Core Plan. The Division also presented budget information on the Core Plan so that Committee members understood the financial constraints under which the Core plan operates. Lastly, public testimony was taken encouraging the Committee to recommend adding mental health and substance abuse coverage under the Core Plan.

Following the public testimony, the Committee discussed the various options and voted separately on each recommendation made by the Division and separate motions moved by Committee members. In summary, CACHET voted to recommend the following six changes to the Core Plan:

1. Implement an aggregate cap of 20 visits per year for either office-based mental health and substance abuse services or physical health services
2. Increase physician visit co-payment to \$5 and establish office-based mental health and substance abuse visit co-payment to \$5
3. Increase drug co-payments to \$5 for generic prescriptions and \$10 for brand name prescriptions with a monthly maximum of \$30 per member, per pharmacy

4. Implement a cap on therapy (physical, occupational, and speech) visits that is lower than the current cap of 20 visits per year per type of therapy service
5. Implement a cap of 10 visits per year for chiropractic services
6. Adjust the aggregate cap for the number of visits for office-based mental health and substance abuse services or physical health services (recommendation #1) with any savings achieved by implementing caps on therapy visits or chiropractic services (recommendations #4 and #5).

The following table summarizes the fiscal impact of recommendations #1-3. The Division estimates the fiscal impact of recommendations #4-6 to be cost neutral.

Summary of CACHET Core Plan Changes Recommendations #1-3

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| Implement an aggregate cap of 20 visits per year for either office-based mental health and substance abuse services or physical health services | \$2,196,000 |
| Increase physician visit co-payment to \$5 and establish office-based mental health and substance abuse visit co-payment to \$5 | (\$2,189,400) |
| Increase drug co-payments to \$5 for generic prescriptions and \$10 for brand name prescriptions with a monthly maximum of \$30 per member, per pharmacy | (\$778,872) |
| Total | (\$772,272) |

Division Recommendation

The Division recommends that DHS adopt and implement all of CACHET's recommendations as detailed above.

Attached is a summary of all of the votes taken by CACHET.

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