



State of Wisconsin
Department of Health Services

Scott Walker, Governor
Kitty Rhoades, Secretary

June 30, 2015

Sylvia Burwell, Secretary
U.S. Department of Health and Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201

Dear Secretary Burwell:

On July 1, 2002, The State of Wisconsin received the necessary waiver approvals from the Centers for Medicare & Medicaid Services (CMS) to operate SeniorCare, a prescription drug benefit for seniors age 65 and older, as a five-year demonstration project. The original five-year waiver period was extended through December 31, 2009 by the US Troop Readiness, Veterans' Care, Katrina Recovery and Iraq Accountability Appropriations Act of 2007. CMS approved the extension of the waiver for an additional three-year period on August 17, 2009. The current waiver period extension was awarded by CMS through December 31, 2015.

This letter is to formally request an extension to Wisconsin's SeniorCare Section 1115 Demonstration Project for an additional three years, extending from January 1, 2016 to December 31, 2018.

SeniorCare continues to be a popular and successful program. With a simplified enrollment process, \$30 annual enrollment fee, income based deductibles and copayments of \$5 for generic drugs and \$15 for brand drugs, SeniorCare members have affordable access to creditable drug coverage.

Since its implementation on September 1, 2002, the SeniorCare waiver program has successfully delivered a comprehensive outpatient drug benefit to more than 260,000 seniors in the state. In 2014, the average age of a SeniorCare member was 80 years old, with 18% of members aged 85 years and older. SeniorCare is also financially efficient. In CY 2014, total drug expenditures billed to SeniorCare of \$191 million were reduced to just over \$27 million, which were paid by state and federal tax dollars, manufacturer rebates and member cost sharing.

The program continues to be budget-neutral. Savings are the result of reduced Medicaid payments for hospital and nursing home care because seniors with SeniorCare prescription drug coverage are diverted from spending-down income and assets to Medicaid eligibility levels. By keeping seniors healthier longer, SeniorCare reduces Medicare expenditures as well.

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Thank you for considering the extension of Wisconsin's SeniorCare Section 1115 Demonstration Project. Please do not hesitate to contact me at (608) 266-9622 with any questions you may have. I look forward to working with you to renew this valuable program for Wisconsin seniors.

Sincerely,


Kitty Rhoades
Secretary

cc: Wisconsin Congressional Delegation
Andy Slavitt, Acting Administrator, CMS
Kevin Moore, Medicaid Director/Administrator, Division of Health Care Access and
Accountability