

**Wisconsin SeniorCare 1115 Demonstration
Section 1115 Annual Report**

**Reporting Period: Calendar Year 2017
(01/01/2017-12/31/2017)**

Introduction

In June, 2015, the Wisconsin Department of Health Services (DHS) submitted an application to the Centers for Medicare and Medicaid Services (CMS) to extend Wisconsin's section 1115 Medicaid Demonstration Project in accordance with section 1115(a) of the Social Security Act. DHS received the approval for the 3-year renewal period from January 1, 2016 through December 31, 2018, on December 18, 2015.

The SeniorCare program offers a comprehensive prescription drug benefit to Wisconsin residents who are age 65 and older with income at or below 200 percent of the Federal Poverty Level (FPL) and are not otherwise receiving full Medicaid benefits. The program includes several innovative program features including: 1) a simple application and enrollment process; 2) an open formulary and broad network of providers; and 3) affordable cost-sharing for participants.

Key program goals include: 1) Keeping Wisconsin seniors healthy by continuing to provide a necessary primary health care benefit; 2) Helping control overall costs for the aged Medicaid population by preventing seniors from becoming eligible for Medicaid due to deteriorating health and spending down to Medicaid eligibility levels; 3) Promoting cost-effective and therapeutically appropriate services; and 4) Maintaining budget neutrality.

SeniorCare Waiver Program Applications, Renewals and Enrollment

Enrollment, New Applications, and Renewals

The table below provides monthly data on enrollment, new applications, renewals due and received, and renewal rates. In 2017, 84% of those that received a renewal notice sent in their renewal application. This percentage is consistent with the renewals in 2016.

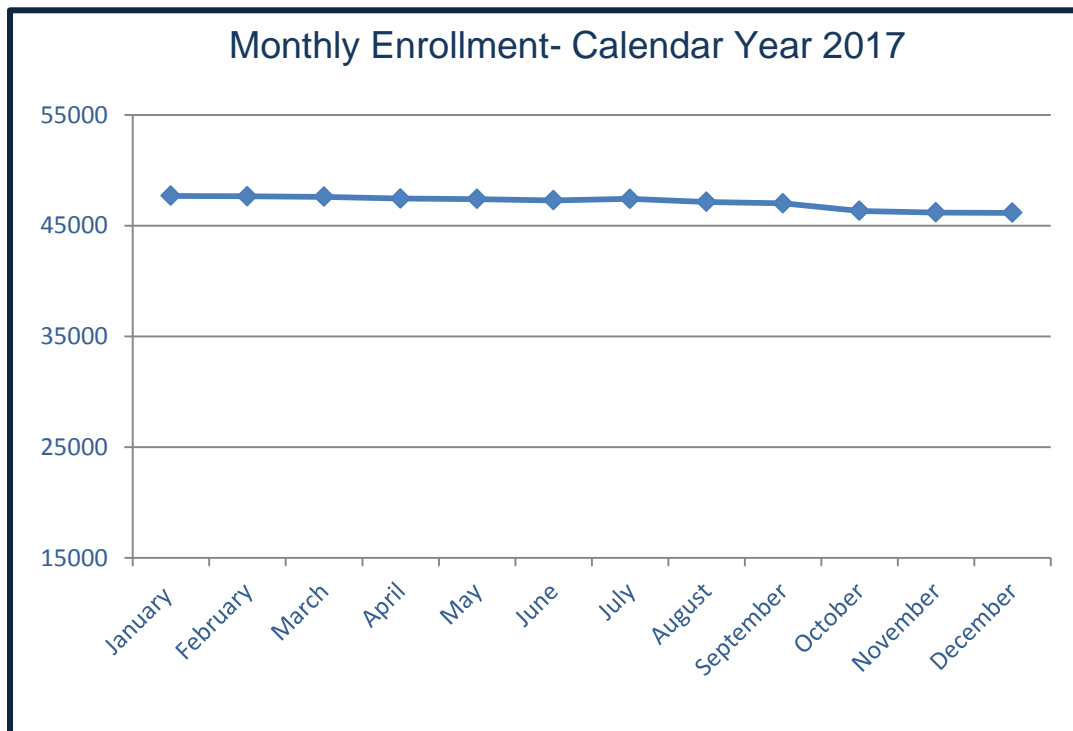
SeniorCare Monthly Enrollment, New Applications, Renewals Due and Received and Renewal Rate 2017						
Month	Enrollment	New Applications	Renewals Due	Renewals Received	Dis-enrolled	Renewal Rate
January	47,695	1,304	5,503	4,558	945	82%
February	47,642	1,161	4,498	3,558	940	79%
March	47,608	1,300	4,861	4,046	815	83%
April	47,451	1,189	4,962	4,087	875	82%
May	47,408	1,033	5,158	4,400	758	85%
June	47,293	1,105	4,067	3,426	641	84%
July	47,420	1,021	3,939	3,327	612	84%
August	47,143	1,037	7,829	6,947	882	88%
September	47,014	1,013	4,917	4,246	671	86%
October	46,331	1,275	6,595	5,617	978	85%
November	46,187	2,137	9,649	8,229	1,420	85%
December	46,163	2,829	13,966	1,464	2,502	82%
Total	47,113*	15,414	75,944	63,905	12,039	84%*

*Denotes yearly average

As has been observed in prior years, new application requests were steady for most of the year and experienced a large increase in the fourth quarter. In addition, monthly renewal rates have an average annual renewal rate of 84%, which is consistent with the prior years' experience (see table below).

	2015	2016	2017
Average Annual Renewal Rate	83%	84%	84%

Waiver enrollment showed a relatively flat trend over the course of the year. New enrollment applications were larger than dis-enrollments by 12,039. Enrollment increases in the fourth quarter of the calendar year coincide with open enrollment for Medicare Part D. Average monthly enrollment was 47,113 in 2017.



Operational Issues

The department communicated operational issues through ForwardHealth updates. ForwardHealth Update 2017-15 announced changes for the reporting discrepancies for commercial coverage and Medicare coverage.

Financial/Budget Neutrality Development/Issues ¹

Below are expenditures, revenue and enrollment for the SeniorCare program in 2017. In the “Projections” column are the estimates that were submitted and approved in the 2016 waiver renewal application. In the “Actuals” column is the actual experience with the SeniorCare waiver program.

¹ Data source: DHS data warehouse

SeniorCare had less expenditures than originally projected. Rebate amounts are as of April 18, 2017.

CY 2017 Enrollment and Expenditures

	Projections	Actuals
Enrollment	49,994	34,650
Gross Expenditures	\$137,360,181	\$85,856,056
Member Cost Sharing	\$13,758,389	\$12,005,917
Manufacturer Rebates	\$73,416,651	\$61,125,420
Net Expenditures	\$39,254,892	\$24,730,637

In addition, the Department monitors overall budget neutrality of the SeniorCare program in accordance with the specifications agreed to by DHS and CMS. Budget neutrality of SeniorCare is tested by comparing Medicaid expenditures for seniors with and without the SeniorCare waiver program. Attachment A compares these expenditures for CY 2017 and shows lower cumulative expenditures of almost \$213 million for seniors with the waiver.

Policy Development ²

SeniorCare is affected by pharmacy policy changes that are implemented across ForwardHealth benefit programs. Program-wide policy changes included the following:

In January and July of 2017, ForwardHealth implemented changes to the preferred drug list (PDL). Wisconsin participates in the TOP\$ program, a multi-state consortium of state Medicaid programs that negotiates preferred drug status and supplemental rebates with pharmaceutical manufacturers. Twice a year, ForwardHealth makes recommendations to the Wisconsin Medicaid Pharmacy PA Advisory Committee (PAC) on whether certain PDL drugs should be preferred or non-preferred. These recommendations are based primarily on objective evaluations of a drug's relative safety, effectiveness of the drug, clinical outcomes, and the relative cost of the drug (to Wisconsin Medicaid) in comparison with other therapeutically interchangeable alternative agents in the same drug class. The PAC reviews PDL-designated drug classes to ensure members have access to clinically appropriate, cost-effective medications. The PAC makes recommendations for preferred and non-preferred status of drugs to the Secretary of the Wisconsin Department of Health Services, who renders the final decision regarding a drug's status on the PDL.

ForwardHealth, including SeniorCare, also implemented several policy changes over the course of calendar year 2017: ForwardHealth communicated through several updates changes to pharmacy policies; changes to the billing and reimbursement policy for covered outpatient drugs effective for dates of service on and after April 1, 2017; a clinical prior authorization (PA) requirement for Spinraza; and communicated hepatitis C agents Mavyret™ and Vosevi™ require a PA until they are reviewed by PAC.

Member Issues ³

Customer Service Hotline

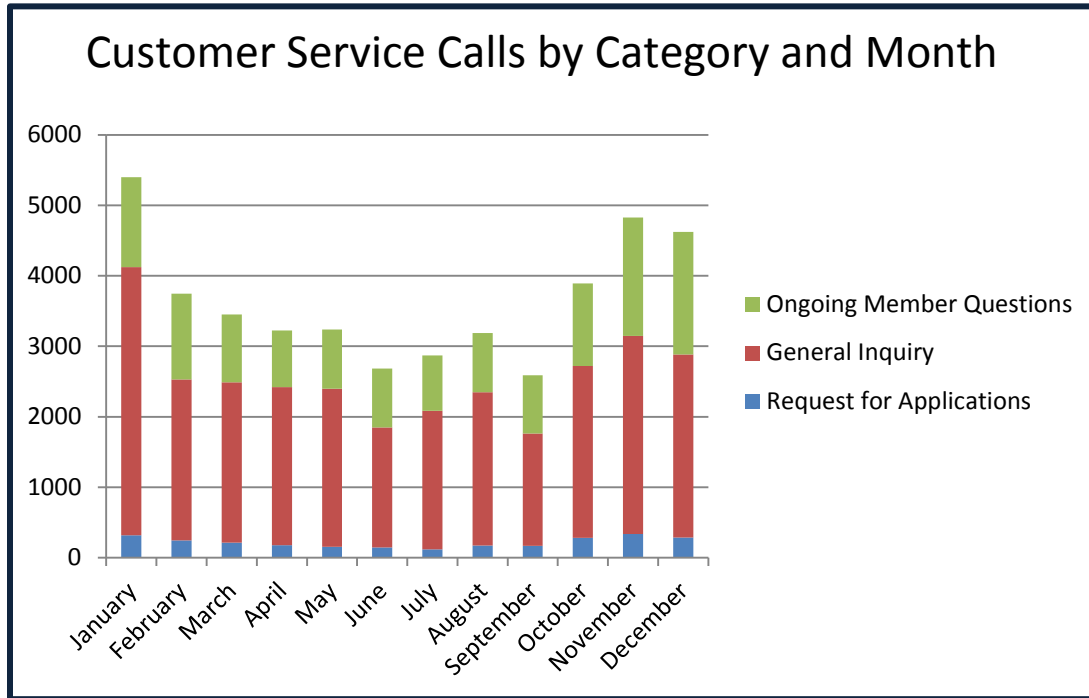
² Data source: Provider and member communications

³ Data source: DHS Bureau of Enrollment

The SeniorCare Customer Service Hotline is staffed with six full-time equivalent (FTE) correspondents. Calls received by the hotline can be classified into three categories:

- 1) Members who want to report a change or have specific questions about benefits;
- 2) Non-members who have general inquiries about the program; and
- 3) Non-members requests for applications.

Below is a summary of 2017 calls received by the Hotline:



As in prior years, the majority of calls were for general member inquiries.

Requests for Fair Hearing

The SeniorCare unit received 3 requests for fair hearing in 2017. One request was dismissed by the judge and two of the requests were withdrawn.

2017 Disposition of Hearings	
Dismissed by Judge	1
Abandoned	
Remand	
Withdrawn	2
Total	3

Quality Assurance/Monitoring Activity

The Department's Medicaid Quality Control Section leads two federally –mandated Medicaid quality control programs: the Medicaid Eligibility Quality Control (MEQC) and the Payment Error Rate

Measurement (PERM) programs. As part of the audits performed by the Quality Control Section, random samples of members are selected, including SeniorCare members, for a comprehensive eligibility review.

The Affordable Care Act (ACA) suspended formal MEQC and PERM requirements for 2014, 2015 and 2016. Instead, states have been directed to conduct targeted pilot reviews of ACA –affected populations. SeniorCare members are not part of the ACA –expansion or otherwise affected population. Therefore, SeniorCare members will not be part of the MEQC sections eligibility audits performed in 2014, 2015 and 2016. Therefore, SeniorCare members will not be part of the MEQC sections eligibility audits performed in 2017.

SeniorCare Advisory Committee

To assure ongoing communication and coordination with relevant stakeholders, the Department established the SeniorCare Advisory Committee. This committee convenes to discuss ongoing SeniorCare enrollment statistics, customer service issues, review policy considerations and discuss possible changes to benefit design.

The Department did not meet with the SeniorCare Advisory Committee in 2017.

Benefits and Cost Sharing of Waiver Program

SeniorCare covers legend drugs and OTC insulin products of manufacturers that have signed a rebate agreement with the federal government.

All members pay a \$30 annual enrollment fee and have copayments of \$5 for generic drugs and \$15 for brand name drugs. Deductibles are as follows:

- Participation Level 1: At income at or below 160% FPL, members do not have a deductible.
- Participation Level 2a: At income greater than 160% and equal to or less than 200% FPL, the member pays a deductible, which is the first \$500 in drug costs. Members receive the discounted SeniorCare rate while meeting their deductible.

2017 SeniorCare Member Cost Sharing

Month of Service	Amount Allowed Detail	Co-pay Amount Detail	Deductible Amount
January	\$9,105,782	\$612,040	\$536,283
February	\$8,545,333	\$567,683	\$396,157
March	\$9,474,546	\$638,741	\$386,855
April	\$8,992,450	\$594,536	\$380,325
May	\$9,826,716	\$655,107	\$398,007
June	\$9,652,885	\$625,522	\$364,438
July	\$9,481,138	\$616,374	\$326,868
August	\$9,925,801	\$642,878	\$329,757
September	\$9,120,218	\$584,531	\$397,048
October	\$10,099,231	\$626,060	\$374,122
November	\$9,447,904	\$598,759	\$363,378
December	\$9,464,595	\$577,401	\$406,016

Total	\$113,136,599	\$7,339,632	\$4,659,254
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Demonstration Evaluation

Calendar year 2016 was used to analyze all of the relevant information to conduct a comprehensive SeniorCare evaluation. DHS leveraged a variety of resources including a member survey, enrollment data, claims data and state-wide statistics from the Department of Public Health. The Policy and Research Section (PRS) of the Office of Policy Initiatives and Budget (OPIB), an executive-level office attached to the Office of the Secretary of the Wisconsin Department of Health Services (DHS), defined and gathered data to conduct an analysis of the program. In 2017, DHS received approval of the evaluation design.

Enclosure/Attachments

Attachment A – CY2017 Wisconsin SeniorCare Budget Neutrality Report

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