

Wisconsin Department of Health Services

# Wisconsin Postpartum Coverage 1115 Waiver

DRAFT - Section 1115 Demonstration Waiver Application

April 6, 2022

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## 1.0 Introduction

As required by 2021 Wisconsin Act 58, the Wisconsin Department of Health Services (DHS) is seeking a five-year Medicaid 1115 research and demonstration waiver. Our goal is to improve postpartum morbidity and mortality of birthing people in the state by extending access to quality care and by ensuring continuity of care and care coordination during the postpartum period. The waiver will allow the state to extend postpartum Medicaid coverage from 60 days to 90 days or three months, which effectively provides an additional month of coverage for birthing people whose household income is above 100% of the federal poverty level (FPL).

## 2.0 Background

Wisconsin Medicaid has long prioritized coverage of pregnant people and now finances more than four in ten births in the state. Currently, pregnancy-related Medicaid coverage lasts through 60 days postpartum. An infant is eligible for Medicaid for the first year after birth under federal law. Those who qualify for Medicaid based on pregnancy are provided with a wide range of Medicaid benefits, including prenatal care, childbirth, and delivery services.

Under current law, the income eligibility threshold for pregnant people is 300% of the federal poverty level. Eligibility for coverage ends on the last day of the month when the 60-day postpartum period ends. Birthing people whose household income is below 100% of the FPL may retain eligibility following pregnancy, as either a parent or a childless adult (if they are not a parent of a child in the household). Unless eligible under other Medicaid provisions, birthing people above that level are no longer eligible for coverage. They are disenrolled from the program after 60 days, causing disruptions to care and access to coverage.

The postpartum period is a critically important, yet often neglected, time in the health of the birthing person and baby. Pregnancy-related medical conditions, chronic health conditions, and even death can occur in the months following birth or the end of pregnancy. According to the [2017 Annual Wisconsin Birth and Infant Mortality Report](#), 41% of birthing people had one or more medical risk factors that put them at higher risk for pregnancy complications or poor birth outcomes. Pregnancy-related medical and chronic health conditions left untreated can have serious consequences if the birthing person cannot care for themselves and their baby.

Racial disparities in the health of birthing people and their babies are also of particular concern. In Wisconsin, a Black birthing person is five times more likely to die of birthing mortality than a white birthing person. Nationally, Black, American Indian, and Alaska Native birthing people are two to three times more likely to die from pregnancy-related causes than non-Hispanic white birthing people. Extending Medicaid coverage during the postpartum period is emerging as a critical strategy to address disparities in morbidity and mortality of birthing people.

## 3.0 Demonstration Objectives and Summary

### 3.1 Project Objectives of the Waiver

Wisconsin is committed to implementing policies that result in high-quality health coverage for our citizens, leveraging the state's tradition of strong health outcomes, innovation, and high-quality health care to do so. Wisconsin's overall goals for the Medicaid program are to:

- Ensure that Wisconsin residents with limited financial resources have access to health coverage.
- Improve lives through high-value programs and services that increase wellbeing and promote independence.
- Provide responsible stewardship of taxpayer resources.

The goals sought by this waiver are to:

- Reduce the morbidity and mortality of birthing people for Medicaid members in Wisconsin.
- Support the long-term fiscal sustainability of the Medicaid program in Wisconsin.

### 3.2 Demonstration Project Overview

This waiver is prompted by [2021 Wisconsin Act 58](#), which requires DHS to request federal approval of a state Medicaid plan amendment or federal waiver to extend postpartum eligibility for Medicaid-eligible pregnant people to continue to the last day of the month after 90 days postpartum. The relevant statutory language of 2021 Wisconsin Act 58 reads in pertinent part:

SECTION 234. 49.471 (6) (L) of the statutes is created to read: 49.471 (6) (L) The department shall request from the federal department of health and human services approval of a state plan amendment or a waiver of federal law to implement subs. (6) (b) and (7) (b) 1. and ss. 49.46 (1) (a) 1m. and (j) and 49.47 (4) (ag) 2.

SECTION 235. 49.471 (7) (b) 1. of the statutes is amended to read: 49.471 (7) (b) 1. A pregnant woman whose family income exceeds 300 percent of the poverty line may become eligible for coverage under this section if the difference between the pregnant woman's family income and the applicable income limit under sub. (4) (a) is obligated or expended for any member of the pregnant woman's family for medical care or any other type of remedial care recognized under state law or for personal health insurance premiums or for both. Eligibility obtained under this subdivision continues without regard to any change in family income for the balance of the pregnancy and to the last day of the month in which the 60th day or, if approved by the federal government, the 90th day after the last day of the woman's pregnancy falls. Eligibility obtained by a pregnant woman under this subdivision extends to all pregnant women in the pregnant woman's family.

This waiver would increase the postpartum coverage period from 60 days to 90 days after the last day of pregnancy, providing an additional month of coverage for birthing people whose household income is above 100% of the FPL. The legislation does not impact or modify any components of the state’s current Medicaid or CHIP programs.

**3.3 Demonstration Population**

The proposal to extend postpartum coverage from 60 days to 90 days or three months will only be implemented for the eligibility groups included in the following table. The eligible populations will have incomes up to, but not exceeding, 300% of FPL.

**Table 3.3: Eligible Populations**

Eligibility Group Name	CFR and Social Security Act Citations
Qualified Pregnant Women and Children	42 CFR § 435.116 SSA § 1902(a)(10)(A)(i)(III) SSA § 1905(n)
Mandatory Poverty Level Pregnant Women	SSA § 1902(a)(10)(A)(i)(IV) SSA § 1902(l)(1)(A)
Optional Poverty Level Related Pregnancy – Women & Infants	SSA § 1902(a)(10)(A)(ii)(IX) SSA § 1902(l)(2)

**3.4 Determining and Maintaining Eligibility**

**3.4.1 Determining Eligibility**

Eligibility for the extended postpartum period is determined by the date on which the pregnancy ends. The proposal extends existing postpartum coverage from 60 days to 90 days or three months (i.e., by an additional thirty days or one month). This extension has no material impact on eligibility determinations.

Individuals on other forms of Medicaid that are not listed in the table above are not eligible for this proposed extension. They will maintain their current coverage and will not transition into pregnancy-related coverage.

**3.4.2 Maintaining Eligibility**

To promote the continuity of postpartum care, a participant who is deemed eligible, according to the eligibility groups listed in Table 3.3, will maintain coverage for the duration of the 90 days or three-month postpartum period. After the three-month postpartum period, an eligibility redetermination will be made as per *42 CFR 435.916(a)*. If an individual qualifies for full Medicaid benefits as part of a separate eligibility group, the transition will automatically occur.

## **3.5 Geography and Timeframe**

DHS seeks a five-year demonstration approval period and intends to implement the demonstration statewide as soon as possible after CMS approval. This timeframe includes sufficient time to communicate with members the changes under the waiver and for the state to prepare and implement operational and administrative changes.

### **3.5.1 Transition Period**

In the interest of equity, DHS will extend a “transition period” to eligible people whose 60-day postpartum benefits prior to this demonstration would have expired. Eligible people will be permitted to seamlessly benefit from the extended postpartum coverage under this demonstration and maintain coverage for the duration of the 90-day or three-month postpartum period.

### **3.5.2 Enrollment Transitions**

Individuals will seamlessly transition into this waiver exactly as they did previously under the 60-day postpartum benefit period; the substantive change is simply an extended postpartum benefit period. All birthing people covered by this proposed extension will transition after the extended 90 days or three-month postpartum benefit period to the appropriate Medicaid program, if eligible, based on their current eligibility; this transition will take place automatically.

### **3.5.3 Retroactive Enrollment**

There is no change to the state’s current retroactive coverage policy. New entrants to the program will have retroactive coverage back to the beginning of the month in which their application was submitted. Eligibility will be determined for up to three months prior to the month of application upon the applicant’s request.

## **3.6 Delivery System and Payment Rates for Services**

### **3.6.1 Managed Care Delivery System**

The state will utilize a managed care delivery system to provide services to all members eligible for this proposed extension, except for individuals who are either prohibited from joining a health maintenance organization (HMO) or those exempt from joining an HMO and choose not to do so.

The state currently contracts with multiple HMOs, which were selected through a certification process for any willing managed care organization. The state does not intend to amend its existing contracts with its HMOs to implement the provisions of this 1115 demonstration waiver. The state believes the existing HMO infrastructure has adequate capacity to handle the proposed extension of the postpartum period. If capacity issues arise, the state will reassess its contracting strategy in a timely fashion.

### **3.6.2 Health Plan Selection**

HMO assignment/selection will follow the same process used outside this waiver. Members who do not already belong to an HMO upon entry into the program will be automatically enrolled into

an HMO. Members will then have a 90-day window to switch to a different plan if they choose before being locked into their assigned plan until their anniversary date the following year.

### **3.6.3 Payment Rates for Service**

The capitation rate-setting methodology for this demonstration will be the same methodology used to set rates for the current Medicaid populations and will comply with all federal rate-setting requirements and guidance. Rate cell determinations will be aligned with the respective age cohort in the BadgerCare Plus rate cell.

## **3.7 Implementation of Demonstration**

The state intends to implement the demonstration as soon as possible after CMS approval. This rollout must include sufficient time for the state to prepare and implement operational and administrative changes and communicate with members the changes under the waiver.

### **3.7.1 Notification**

The state will develop and deploy an appropriate communications strategy to inform current BadgerCare Plus enrollees and members in the “transition period” cohort. Pending approval of this demonstration, DHS intends to provide notice as soon as reasonably practicable.

Communications will also target HMOs, pertinent organizations, hospitals, providers, and lactation service professionals, through provider-specific messages. Additional communications to all pertinent organizations will be conducted via email. Because members will transition seamlessly into this augmented period after 60-days of postpartum coverage, no additional enrollments will be required.

## **4.0 Requested Waivers and Expenditure Authorities**

### **4.1 Title XIX Waivers**

Wisconsin seeks waiver of the following requirements of the Title XIX of the Social Security Act necessary to implement Wisconsin’s 1115 demonstration:

- 1. Definition of Pregnant Woman: SSA § 1905(n)/42 CFR § 435.4**
  - Necessary to redefine “qualified pregnant woman or child” (SSA) and “pregnant women” (CFR) to augment the baseline postpartum period from 60 days to 90 days.
- 2. Extended Eligibility and Continuous Eligibility: SSA § 1902(e)(5) and (6)/42 CFR § 435.170(b) and (c)**
  - Necessary to extend both eligibility and continuous eligibility for newly defined “pregnant women or child” and “pregnant woman” from 60 days to 90 days.
- 3. Suspended Renewals Until End of Postpartum Period: 42 CFR § 435.916(a)**
  - Necessary to ensure continuity of coverage for newly defined “pregnant woman” until after the augmented postpartum period ends, i.e., the last day of the month in which the 90<sup>th</sup> day after the last day of a person’s pregnancy falls.



## 4.2 Expenditure Authorities

Under this demonstration, the state also requests expenditure authority for birthing people up to 300% of the FPL for the extended one-month postpartum coverage period, which is not otherwise included under § 1903 of the SSA. These expenditures shall be regarded for the demonstration as matchable expenditures under the state’s Medicaid Title XIX state plan.

## 5.0 Demonstration Financing and Budget Neutrality

Federal policy requires Section 1115 Waiver demonstrations to be budget neutral to the federal government. This means that a demonstration should not cost the federal government more than what would have otherwise been spent without it. Determination of federal budget neutrality for a Section 1115 demonstration application must follow a unique process distinct from federal and state budgeting and health plan rate setting. The processes, methods, and calculations required to demonstrate federal budget neutrality only exist for that express purpose. Therefore, the budget neutrality model shown here should not be construed as a substitute for budgeting and rate setting or imply any guarantee of any specific payment.

To ensure budget neutrality for each federal fiscal year of this five-year demonstration, Wisconsin will continue to use a historical per-member per-month (PMPM) methodology specific to the postpartum coverage population (i.e., pregnant women, children, and infants eligibility groups listed in Table 2.1). This calculation has been established in the context of current federal and state law and with appropriate, analytically sound baselines and adjustments. The demonstration will measure the financial impact on the program.

### 5.1 Enrollment

Table 5.1.1 summarizes enrollment estimates for the postpartum coverage population. The population figures are the actual enrollment for each historical year to establish the enrollment trend. Enrollment reflects the state’s estimates for those who would continue Medicaid coverage for the extended one month. The enrollment estimates were based on the number of member months for the current postpartum coverage for the waiver population during state fiscal years (SFY) 2015 to 2019.

**Table 5.1.1: Historical Average Monthly Enrollment (Based on Member Months) by SFY**

2015	2016	2017	2018	2019
28,161	27,874	27,381	26,776	26,227
Trend	-1.0%	-1.8%	-2.2%	-2.0%
5-year average trend				-1.8%

Table 5.1.2 summarizes estimated enrollment and eligible member months for each demonstration year by applying the average enrollment trend for the hypothetical historical population of -1.8%.

**Table 5.1.2: Estimated Enrollment by Demonstration Year**

Demonstration Year (DY)	Eligible Member Months (Annual)	Average Monthly Enrollment
DY1	24,426	2,036
DY2	23,995	2,000
DY3	23,572	1,964
DY4	23,157	1,930
DY5	22,748	1,896

**5.2 Expenditures Per Member Month (PMPM)**

Wisconsin calculated the PMPM based on the historical average of expenditures from SFY 2015 – SFY 2019. There are currently seven unique medical status codes for the existing population that route to the various rate cell codes for managed care. These also inform the fee-for-service population that currently includes pregnant women and the 60-day postpartum coverage, which varies by managed care entity and region. Individuals in the extended one-month postpartum coverage will remain in these rate cohorts during coverage.

**Table 5.2.1: Historical Average PMPM by SFY**

SFY	2015	2016	2017	2018	2019
PMPM	\$ 291.58	\$ 287.25	\$ 303.50	\$ 313.45	\$ 313.67

Based on the observed historical trend in Wisconsin, experience in other states, and review of national inflation for 2021, the state is applying a 3.2% annual trend rate the SFY 2019 average PMPM to develop the projected demonstration year PMPMs (Table 5.4).

**Table 5.2.2: Estimated PMPM for Waiver by Demonstration Year**

DY1	DY2	DY3	DY4	DY5
\$355.25	\$366.47	\$378.06	\$390.01	\$402.33

**5.3 Retroactive Coverage**

Since most individuals receiving the postpartum care extended coverage also delivered their baby while enrolled in Medicaid, the estimates do not include any prior quarter costs. Prior period costs are reflected in the managed care rate development.

**5.4 Premiums and Copays**

There are no premiums or copays for this population, so there are no adjustments reflected in the PMPM.

**6.0 Evaluation Design**

The following table presents an overview of the goals sought by the waiver, along with their respective hypotheses and metrics to evaluate.

**Table 6.1: Goals, Hypotheses, and Metrics**

Goal	Hypothesis	Metrics
Reduce morbidity and mortality of birthing people for Medicaid members in Wisconsin.	Extending eligibility for pregnant birthing people from 60 days to 90 days or three months postpartum will reduce morbidity and mortality of birthing people for Medicaid members in Wisconsin by providing continued health maintenance organization (HMO) care coordination and continuity in provider networks at a medically vulnerable time.	Rates of postpartum morbidity and mortality of birthing people year-over-year.  Number of birthing people who access services pre-intervention (five-year baseline with postpartum coverage of 60 days) vs. post-intervention (postpartum coverage of 90 days).  Postpartum visit rates pre vs. post.
Support the long-term fiscal sustainability of the Medicaid program in Wisconsin.	Targeting specific populations to extend Medicaid benefits will support the financial sustainability of the Medicaid program.	Total cost of health services per population capita pre- and post-intervention vs. the national average.

A detailed evaluation design will be developed for review and approval by CMS. The evaluator will use relevant data from the BadgerCare Plus program and its managed care organizations.

This may include eligibility, enrollment, claims, payment, encounter/utilization, chart reviews, and other administrative data. The evaluator may also conduct surveys and focus groups of beneficiaries and providers and other original data collection, as appropriate.

Both interim and final evaluations will be conducted to help inform the state, CMS, stakeholders, and the general public about the performance of the demonstration. All evaluation reports will be made public and posted on the DHS website.

## **7.0 Public Involvement and Public Comment**

This section is reserved for completion following the public comment process on this draft application. Following the public comment period, this section will describe the state's public comment process (including public notice, website, and public meetings) and the comments received through the various means offered.

### **7.1 Public Notice Requirements**

Providing information and obtaining input on changes from the public is of high importance for DHS as we prepare to submit the waiver request. DHS will comply with the public notice requirements in *42 C.F.R. 431.408*.

#### **7.1.1 Public Comment Period**

DHS will initiate the required 30-day public comment period.

By law, individuals and organizations will have the opportunity to review the official waiver application and provide comments for 30 days, starting on April 6, 2022, and ending on May 6, 2022. Individuals and organizations may also provide comments through written or verbal statements during public hearings (see below).

The state will provide a comprehensive list of the comments received during the 30-day period to CMS, and a summary of the state's responses that note how/if the state incorporated the feedback. This information will be included in the final waiver request submitted to CMS on or around May 15, 2022, and available on the DHS website.

#### **7.1.2 Public Hearings**

As required by Section 1115 of the Social Security Act, DHS will conduct two public hearings on the dates listed below.

Due to the public health concerns related to the COVID-19 pandemic, the state will not be conducting in-person meetings as part of the public notice process for this waiver application. CMS has the discretion to exempt the state from completing any aspect of the public notice process. This includes exemption from conducting any public notice when the state demonstrates to CMS the existence of unforeseen circumstances, such as the COVID-19 public health

emergency, that directly threatens human lives that warrant an exception to the normal public notice process. Accordingly, the state will use two webinars instead of in-person hearings.

Public Hearing 1: Wednesday, April 13, 2022, from 10:00 a.m. to 12:00 p.m.

Public Hearing 2: Wednesday, April 20, 2022, from 10:00 a.m. to 12:00 p.m.

### **7.1.3 Tribal Consultation**

DHS will conduct tribal consultation according to the established process at least 60 days before submitting the waiver demonstration application.

### **7.1.4 Waiver Materials and Comment Mechanisms**

Waiver materials, including the full public notice, and comment mechanisms, will be available on the DHS website at [www.dhs.wisconsin.gov/dms/postpartum1115waiver.htm](http://www.dhs.wisconsin.gov/dms/postpartum1115waiver.htm).

The final waiver application, once complete, may be obtained from DHS at no charge by downloading the documents from the DHS website at [www.dhs.wisconsin.gov/dms/postpartum1115waiver.htm](http://www.dhs.wisconsin.gov/dms/postpartum1115waiver.htm) or by contacting Bailey Dvorak:

- Mail:

Bailey Dvorak, Division of Medicaid Services  
Re: Postpartum 1115 Waiver  
PO Box 309  
Madison, WI 53707-0309

- Phone: 608-266-5210
- Fax: 608-266-3205
- Email: [bailey.dvorak@dhs.wisconsin.gov](mailto:bailey.dvorak@dhs.wisconsin.gov)

### **7.1.5 Written Comments**

Written comments on the proposed changes are welcome and will be accepted from April 6, 2022, until May 6, 2022. Written comments may be sent to the Division of Medicaid Services at:

- Fax: 608-266-1096
- Email: [dhspostpartumcoverage1115waiver@dhs.wisconsin.gov](mailto:dhspostpartumcoverage1115waiver@dhs.wisconsin.gov)
- Mail:

Department of Health Services, Division of Medicaid Services  
Attn: Wisconsin 1115 Postpartum Coverage Waiver  
PO Box 309  
Madison, WI 53707-0309

## **8.0 Demonstration Administration**

Wisconsin's point of contact for this demonstration waiver is as follows:

- Name and title: Lisa Olson, Medicaid Director
- Phone: 608-266-5151
- Email: [lisaa.olson@dhs.wisconsin.gov](mailto:lisaa.olson@dhs.wisconsin.gov)