



WISCONSIN DEPARTMENT
of HEALTH SERVICES

Serious Mental Illness / Serious Emotional Disturbance (SMI/SED) 1115 Waiver

Wisconsin Department of Health Services
Division of Medicaid Services
October 2024



Today's Agenda

- Background and overview
- Serious mental illness / serious emotional disturbances waiver policies
- Public comment





Background and Overview



2023 WI Act 177

Enacted March 22, 2024

- Medical Assistance coverage of services provided in an institution for mental disease to persons aged 21-64
- Submit a waiver application to CMS no later than January 1, 2025
- See docs.legis.wisconsin.gov/2023/related/acts/177



Timelines

Timeline	Activity
October 2024	Public comment
December 2024	Submit waiver application to CMS
<i>2025 (estimated)</i>	CMS waiver review
<i>2026 (estimated)</i>	CMS negotiations
<i>2027 (estimated)</i>	Begin implementation



What is an Institution for Mental Diseases (IMD)?

- A hospital, nursing facility, or other institution with more than 16 beds that is primarily engaged in providing diagnosis, treatment, or care of persons with mental diseases*, including medical attention, nursing care, and related services.
- Defined by the Social Security Act (SSA §1905(i)).
- Examples
 - A facility licensed or accredited as a psychiatric facility.
 - A facility in which mental disease is the current reason for institutionalization of more than 50% of the patients.

**Includes substance use disorders and diseases listed as mental disorders in the International Classification of Diseases, with a few exceptions.*



Wisconsin Hospital IMDs

Brown County

Bellin Psychiatric Center
Willow Creek Behavioral Health

Dane County

Mendota Mental Health Institute
Miramont Behavioral Health

Milwaukee County

Aurora Psychiatric Hospital
Rogers Memorial Hospital Inc. (Brown Deer
and Milwaukee)
Granite Hills Hospital

Waukesha County

Rogers Memorial Hospital (Oconomowoc)

Winnebago County

Winnebago Mental Health Institute



Current WI Medicaid IMD Coverage

- Wisconsin provides Medicaid coverage for services provided in an IMD for:
 - Children under age 21
 - Adults aged 65 and older
 - Individuals receiving residential substance use disorder treatment

- Managed care plans can cover IMD admissions for adults aged 21-64 for no more than 15 days per month:
 - In lieu of traditional psychiatric intervention services
 - In BadgerCare Plus and Medicaid for the elderly, blind, and disabled





Federal Legislative History

- Historically, CMS prohibited federal Medicaid funding for services provided to some individuals in an IMD
- This “IMD exclusion” was designed to assure that states (rather than the federal government) maintained primary responsibility for funding inpatient psychiatric services

The CMS “IMD exclusion” has exceptions that allow coverage for:

- Children under age 21
- Adults 65 and older

Limitations and Restrictions

- Under this IMD waiver, state Medicaid programs may not pay for:
 - ☒ Room and board payments (unless facilities qualify under the Social Security Act 1905(a)).
 - ☒ Services provided in nursing homes that qualify as IMDs.
 - ☒ Services provided to individuals under age 21 if those settings do not meet the CMS requirements to qualify for the Inpatient Psychiatric Services for Individuals under age 21 benefit.
 - ☒ Services in a psychiatric hospital or residential treatment facility for inmates who are involuntarily residing in the facility by operation of criminal law.



Waiver Policies



CMS' SMI/SED Waiver Goals

- ➔ **Reduced utilization and lengths of stay in EDs** among Medicaid beneficiaries with SMI or SED while awaiting mental health treatment in specialized settings.
- ➔ **Reduced preventable readmissions** to acute care hospitals and residential settings.
- ➔ **Improved availability of crisis stabilization services**, including services made available through call centers and mobile crisis units, intensive outpatient services, and services provided during acute short-term stays in residential crisis stabilization programs, psychiatric hospitals, and residential treatment settings.
- ➔ **Improved access to community-based services** to address the chronic mental health care needs of beneficiaries with SMI or SED, including through increased integration of primary and behavioral health care.
- ➔ **Improved care coordination**, especially continuity of care in the community following episodes of acute care in hospitals and residential treatment facilities.



Benefits Coverage

- ➔ Wisconsin Medicaid is extending coverage for services to members aged 21 to 64 admitted to a hospital IMD primarily to treat SMI/SED
- ➔ Members in fee-for-service and managed care arrangements will be eligible
- ➔ Payment methodologies will be consistent with those approved in the Medicaid State Plan





Eligibility Requirements

- Wisconsin Medicaid members enrolled in a full-benefit program between the ages of 21 and 64 who meet medical necessity will be eligible
 - ☑ BadgerCare Plus
 - ☑ Medicaid for the Elderly, Blind, or Disabled (full-benefit plans only)
 - ☑ Foster Care Medicaid (includes Subsidized Guardianship and Adoption Assistance)
 - ☑ Well Woman Medicaid
- Members enrolled in partial-benefit programs are not eligible. Examples include:
 - ☒ SeniorCare Prescription Drug Program
 - ☒ Family Planning Only Services



Care Management Requirements

- To further support members in treatment and to prevent acute crises events, the state must assure proactive identification of patients who are at risk of disengaging from treatment or who have stopped treatment, and notify care teams to ensure treatment continues or resumes.
- DHS will work with providers, insurers, and the state's health information exchange, WISHIN, to promote bi-directional sharing of patient care plans.





Additional Assurances and Requirements

- Participating states are expected to take actions to **maintain and enhance community-based mental health care** for individuals with SMI/SED
- These include:
 - Ensuring **good quality of care** in IMDs
 - Improving **connections to community-based care** after stays in acute care settings
 - Ensuring a continuum of care is available to address more chronic, on-going needs and provide a full range of **crisis stabilization services**
 - Identifying and engaging people in **treatment as soon as possible**



Public Comment





Submit Comments

Written comments are welcome and will be accepted from October 1, through October 31, 2024

Mail:

Waukesha State Office Building
Department of Health Services
Attn: Wisconsin 1115 SMI/SED Waiver
141 NW Barstow St. Ste 126
Waukesha, WI 53188-3789

Phone: 414-209-2061

Fax: 262-521-5106, Attn: Nicholas Di Meo

Email: DHSMedicaidSMISED@dhs.wisconsin.gov



Contacts and Resources



DHSMedicaidSMISED@dhs.wisconsin.gov



dhs.wi.gov/medicaid/waiver-smised.htm



medicaid.gov/medicaid/section-1115-demonstrations/serious-mental-illness-section-1115-demonstration-opportunity/index.html



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