

# BadgerCare Expansion Background and Talking Points

## BadgerCare

The Department of Health Services (DHS) is responsible for all the state health and social service programs. It is one of the largest and most diverse state agencies in Wisconsin, with an annual budget of roughly \$12 billion and more than 6,100 employees. Approximately 50% of the cost of these programs are paid for by the federal government.

DHS oversees the Division of Medicaid Services (DMS), the single largest program in the state budget. It is responsible for Wisconsin's Medicaid programs and FoodShare program and provides access to health care, long-term care, and nutritional assistance to more than 1 million Wisconsin residents who are elderly, disabled, or have low income.

One of the DMS programs, BadgerCare Plus, provides health care coverage for low-income Wisconsin residents including children, pregnant women, and adults is its largest of the Medicaid programs representing approximately ¾ of the recipients.

Wisconsin BagerCare Plus	State	Waukesha
<b>DEC 2018 Enrollment</b>		
Parents/Caretakers	132227	3528
Childless Adults	147643	4601
	<b>279870</b>	<b>8129</b>
Children	416271	11355
Express Enroll-Children	133	
Express Enroll-PW	148	
Income Extensions	51968	1324
Pregnant Women	18159	462
Youths Exiting	929	35
<b>Total</b>	<b>767478</b>	<b>21305</b>

## The history Medicaid expansion in Wisconsin

A provision in the Affordable Care Act, which was signed into law in 2010, provided additional financial assistance to states (100% initially, dropping to 90% in 2020) who extended Medicaid to those previously ineligible and living at or below 138% of the federal poverty line. In April 2014, rather than accept the additional federal funds for BadgerCare, Wisconsin chose to create its own program.

Prior to April 2014, Wisconsin provided BadgerCare to *'parents and caretakes'* under 200% of the FPL in addition to providing a very limited program for *'childless adults.'*

After April 2014, the Badger Care cutoff was lowered to 100% FPL but now made available to both groups: *'parents and caretakers'* as well as *'childless adults.'* It was explained that this would achieve the results as that of the federal program since the *'coverage gap'* was now eliminated. Instead of BadgerCare, those living above the poverty line could apply for subsidized insurance in ACA marketplace.

What in theory seemed like a good idea was in fact a financial mistake. Creating our own *'full coverage'* program cost million dollars more per year than if we had simply accepted the Medicaid expansion program. Currently, we are losing out on \$185 million per year in federal assistance.

Besides being the wrong thing to do financially, covering people between 100% and 138% of the FPL with the ACA is far less effective than BadgerCare. People living near the poverty line cannot afford premiums or

# BadgerCare Expansion Background and Talking Points

out of pocket expenses, so they still end up in hospital emergency rooms and free clinics but only after their medical problems are much worse. Secondly, the benefit cutoff and reapplication requirements make it difficult for someone living near the poverty line to better themselves for fear of losing healthcare coverage.

In addition to saving the state a significant amount of money, Medicaid expansion would provide BadgerCare to approximately 76,000 more people (between 100% and 138% of the FPL) state-wide. This would translate to approximately 2200 people in Waukesha County.

<b>Additional people covered by expansion</b>		
	<b>Groups affected</b>	<b>Additional Served</b>
<b>Entire State</b>	<b>279,870</b>	<b>76,000</b>
<b>Waukesha County</b>	<b>8,129</b>	<b>2,207</b>

## The Federal Poverty Guidelines

<b>FEDERAL POVERTY GUIDELINES (COVERAGE YEAR 2019)</b>							
# in Household	100% FPL	138% FPL	150% FPL	200% FPL	250% FPL	300% FPL	400% FPL
1	\$12,140	\$16,753	\$18,210	\$24,280	\$30,350	\$36,420	\$48,560
2	\$16,460	\$22,715	\$24,690	\$32,920	\$41,150	\$49,380	\$65,840
3	\$20,780	\$28,676	\$31,170	\$41,560	\$51,950	\$62,340	\$83,120
4	\$25,100	\$34,638	\$37,650	\$50,200	\$62,750	\$75,300	\$100,400
5	\$29,420	\$40,600	\$44,130	\$58,840	\$73,550	\$88,260	\$117,680
6	\$33,740	\$46,561	\$50,610	\$67,480	\$84,350	\$101,220	\$134,960
7	\$38,060	\$52,523	\$57,090	\$76,120	\$95,150	\$114,180	\$152,240
8	\$42,380	\$58,484	\$63,570	\$84,760	\$105,950	\$127,140	\$169,520

For households with more than 8, add \$4,320 for each additional person.  
 Note: Eligibility for premium tax credits in coverage year 2019 is based on poverty guidelines for 2018. FPL = federal poverty line.  
 Source (plus Hawai'i and Alaska guidelines): [aspe.hhs.gov/poverty-guidelines](https://aspe.hhs.gov/poverty-guidelines)

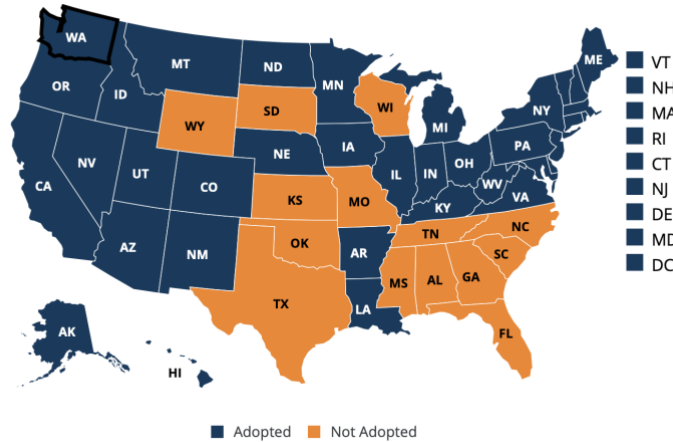
The Economic Policy Institute estimates the income a family needs to live a modest yet adequate living. Results from 2018 for Waukesha County are as follows:

- Single, no children      \$37,057 annual income is required. This is 3 times the poverty limit.
- Married 2 children      \$89,380 annual income is required. This is 3.5 times the poverty limit.

## What other states have done

To date, 72% of states (36 states) including DC have adopted the Medicaid expansion and 14 states have not adopted the expansion.

# BadgerCare Expansion Background and Talking Points



## The popularity of Medicaid Expansion in Wisconsin

In 2014, 20 municipalities held advisory referendums on the question of whether Wisconsin should accept the federal funds for BadgerCare. Over 1 million Wisconsinites voted, with 73% saying YES to accepting the federal funds.

## Who are the uninsured?

- 57% of the uninsured are working. 41% of them have held 3 or more jobs in the past 5 years. 14% of them are working more than one job now.
- 17% of the uninsured are looking for work
- 9% of the uninsured who are not working are disabled or on temporary lay-off

## Benefits of BadgerCare expansion

BadgerCare expansion will increase health care access to many people living near the poverty line who are trying to make a better life for themselves.

- workers who aren't offered health insurance through their jobs and cannot afford the cost of premiums or out of pocket costs
- people who fall on hard times because they lose their job due to downsizing or serious illnesses.
- people who can't take a paying job because they must care for an ailing parent or a sick child.
- people who are more likely to encounter financial ruin when faced with an unexpected illness requiring significant medical care.

BadgerCare expansion will directly benefit Waukesha County:

- A healthier and more available workforce.
- More healthcare jobs.
- Less reliance on free clinics.
- Lower health insurance rates due to less uncompensated care in emergency rooms and a healthier risk pool for those with traditional insurance
- More state funding available for programs that treat health problems in the county.