

# BadgerCare Expansion

What is it and what it can do for Wisconsin





[After video plays]...[https://www.youtube.com/watch?v=i8vcsTc\\_CdQ](https://www.youtube.com/watch?v=i8vcsTc_CdQ)

Good afternoon. My name is [        ]. I am a resident of [        ] and member of Grassroots Waukesha. Thank you for allowing me to talk with you today about Medicaid expansion.

The video we just saw is an example of how hard times can hit nearly anyone and why it is important that we as a society provide basic assistance to those unable to do so themselves.

## BadgerCare Today

Wisconsin BagerCare Plus	State	Waukesha
<b>DEC 2018 Enrollment</b>		
Parents/Caretakers	132,227	3,528
Childless Adults	147,643	4,601
Children	416,271	11,355
Express Enroll-Children	133	
Express Enroll-PW	148	
Income Extensions	51,968	1,324
Pregnant Women	18,159	462
Youths Exiting	929	35
<b>Total</b>	<b>767,478</b>	<b>21,305</b>

BadgerCare is one of those safety nets that  $\frac{3}{4}$  of million Wisconsinites depend on. It provides health care coverage for low-income Wisconsin residents including children, pregnant women, and adults.

This chart gives you a breakdown of the BadgerCare enrollment in both the state and Waukesha County today. Enrollment data is given for specific categories.

In this presentation, we are focusing on the first two categories, Parents/caretakers and childless adults.

## Medicaid Expansion History

- **The ACA became law in 2010**
  - Medicaid expansion provided additional financial incentive for states to extend Medicaid to those previously ineligible and living at or below 138% of the federal poverty line.
- **Wisconsin BadgerCare reform of 2014**
  - Did not choose to expand Medicaid as provided by the ACA
  - Added coverage for childless adults up to to 100% FPL
  - Lowered BadgerCare limits on parents and caretakers from 200% to 100 %

In 2010 the Affordable Care Act was signed into law. In addition to providing subsidized insurance, it provided additional financial incentive for states to extend Medicaid to those previously ineligible and who were 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.

Childless adults (a new category) were now covered up to 100% of the FPL. Parents and Caretakers limits were lowered from 200% to 100%.

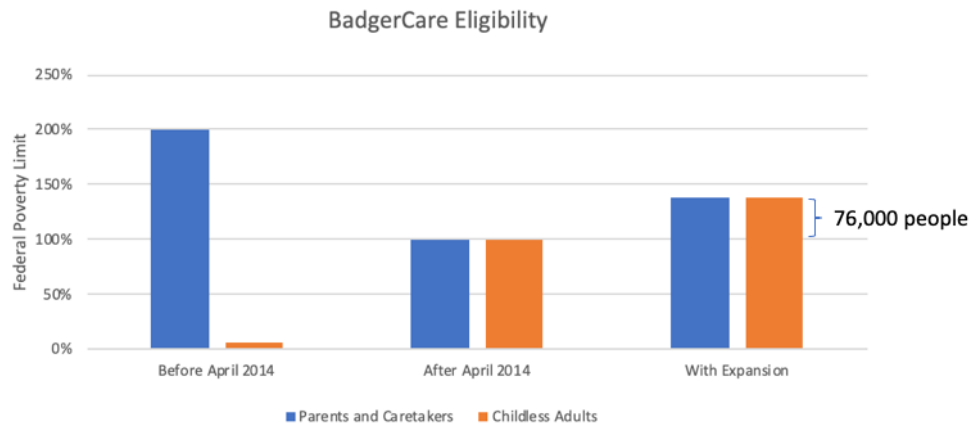
What was the result?

## Results of BadgerCare Reform

- We eliminated the 'coverage gap.' All residents would now have access to coverage or the opportunity to purchase it.
- By failing to adopt the Federal plan:
  - We would receive only 58% subsidy instead of 100% (in 2014) for childless adults (a newly eligible group)
  - Adults between 100% and 138% of the FPL would need to buy insurance in the market place.

Read slide

## Medicaid expansion would enroll 76,000 more people in BadgerCare state-wide (2,200 in Waukesha County)



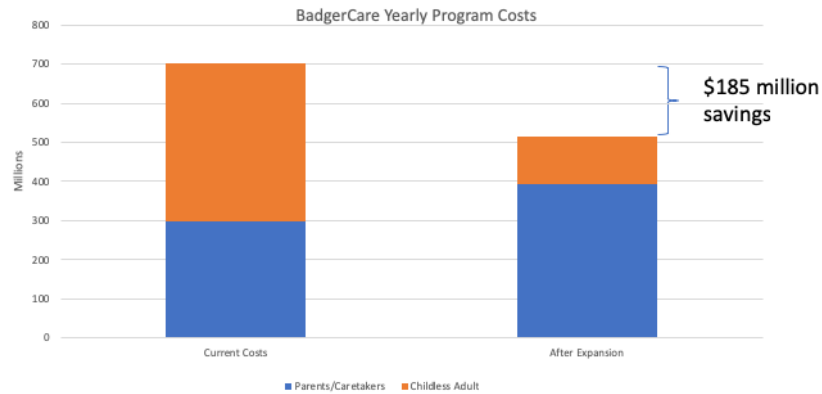
This graph shows the history of BagerCare in another way.

Before the April 2014 Reforms.

After April 2014.

What it could be if we accept the Medicaid expansion- 76,000 more people on BadgerCare, 2,200 of them from Waukesha County.

## Medicaid Expansion would save Wisconsin \$185 million per year



Since BadgerCare is part of the federal Medicaid program, a portion of the cost is paid for by the federal government. For Medicaid in Wisconsin, the federal government pays approximately 58% of the cost.

However, under Medicaid expansion, 90% of the cost would now be covered by the federal government for newly eligible people (childless adults).

Even though there would be additional costs for the state to extend the limit of Parents and caretakers to 138% FPL. The lower cost for childless adults would produce a net savings of \$185 million per year.

# Federal Poverty Guideline

FEDERAL POVERTY GUIDELINES (COVERAGE YEAR 2019)

# 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)

Economic Policy Institute:  
 Income needed for a modest  
 adequate living:

← \$37,057/yr.

← \$89,380/yr.

What does it mean to live near the poverty line?

If you are single and are making on \$12,000 a year you are working a 30hr/week job for minimum wage (\$7.25/hr).

If you are living in a family of 4 and making only \$25,000. This is equivalent to working a full time \$12/ hr job.

In either case you cannot get by working only one job. The Economic Policy Institute has determined that id living in Waukesha County, you need to make 3 times more annual income in order to have adequate funds to live a modest life.



# Who are the uninsured?

## 57% of the uninsured are working...



### Important details about the employed uninsured include:

**88%** are hourly workers – not salaried.

**76%** work more than 30 paid hours a week.

**65%** report working for employers with less than 50 employees (57% say they work for companies with 25 or fewer employees).

**More than half of the employed uninsured (55%) work in just five industries:**

- construction (14%)
- retail (13%)
- food/accommodation services (12%)
- manufacturing (8%)
- health care/social services (8%)

**41%** of them have held 3 or more jobs in the past 5 years.

**14%** of them are working more than one job now.

Robert Wood Johnson Foundation (2015)

Numerous studies have been done to show that a vast majority of the people who are uninsured are working.

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.

88% have hourly jobs.

55% work in just 5 industries –

construction, retail, food, manufacturing and health related.

17% of the uninsured are looking for work

7% of the uninsured (who are not working) are disabled, retired, or on temporary lay-off.

## How affordable is healthcare when living in poverty?

EXPECTED PREMIUM CONTRIBUTION (COVERAGE YEAR 2019)								
Annual Household Income (% of FPL)	Less than 133% FPL	133% FPL	138% FPL	150% FPL	200% FPL	250% FPL	300-400% FPL	More than 400% FPL
Expected Premium Contribution (% of Income)	2.08%	3.11%	3.42%	4.15%	6.54%	8.36%	9.86%	n/a

Source: [www.irs.gov/pub/irs-drop/rp-18-34.pdf](http://www.irs.gov/pub/irs-drop/rp-18-34.pdf)

OUT-OF-POCKET MAXIMUM (COVERAGE YEAR 2019)			
Plan Type	Income Level	Out-of-Pocket Maximum	
		Individual	Family
All plans <sup>1</sup>	All income levels	\$7,900	\$15,800
CSR Silver Plan 73% AV <sup>2</sup>	Between 201%-250% FPL	\$6,300	\$12,600
CSR Silver Plan 87% AV <sup>2</sup>	Between 151%-200% FPL	\$2,600	\$5,200
CSR Silver Plan 94% AV <sup>2</sup>	Up to 150% FPL	\$2,600	\$5,200

<sup>1</sup>Applies to all plans in the individual and group market. <sup>2</sup>Applies only to silver plans eligible for CSR sold in the Marketplace.  
 Note: CSR = cost-sharing reductions. AV = actuarial value.  
 Source: [www.federalregister.gov/documents/2018/04/17/2018-07355/patient-protection-and-affordable-care-act-hhs-notice-of-benefit-and-payment-parameters-for-2019](http://www.federalregister.gov/documents/2018/04/17/2018-07355/patient-protection-and-affordable-care-act-hhs-notice-of-benefit-and-payment-parameters-for-2019)

One of the claims that were made of the Wisconsin 2014 reforms, was that the state no longer had a 'coverage gap'. In other words everyone had the ability to be covered.

Let's examine what it means for someone living in poverty (that between 100% - 138% FPL) to buy insurance coverage.

If you are living at 138%, you must still pay 3.42% of your income on insurance. This will get you a free annual check up but you will still be required to make co-pays up to \$2,600 for each individual or \$5,200 per family.

The question is how affordable is health insurance when you also have to pay for rent, utilities, groceries, or make a car or credit card payment?



## What is Churning?

- People are kicked off BadgerCare once their income exceeds 100% FPL.
- If a person's income dips below 100% FPL there is a waiting period before they can get back on BadgerCare.

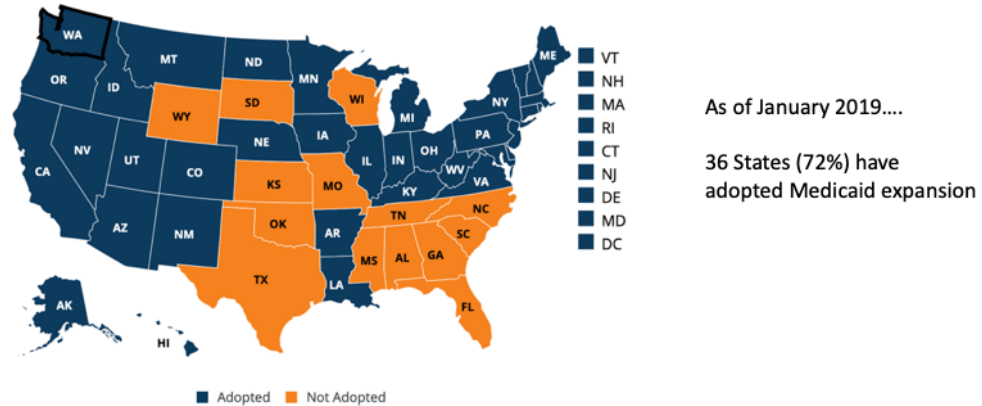
In addition to subsidized insurance being unaffordable for those living near the poverty line, the transition between BadgerCare and the ACA can interrupt critical care.

'Churning' is a term used to describe the process of people getting kick off BadgerCare and then getting back on again.

This happens to 40-70% of BadgerCare recipients within one year after leaving.

Not only does this become a disincentive to pulling oneself out of poverty it can be dangerous for those with chronic conditions that need continuous treatments.

## What have other states done?



Over the years, more and more states signed on to the Medicaid expansion program. Currently 72% of the states have adopted it (including the District of Columbia.)

Wisconsin stands alone in the Midwest as the only state who has not adopted it.

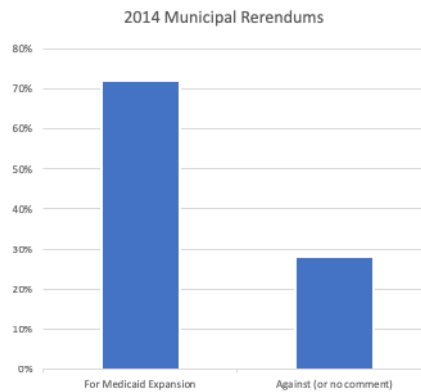
## What do Wisconsin residents think?

In 2014, 20 municipalities held advisory referendums.

Over 1 million Wisconsin residents voted.

**73% said YES** to accepting the federal funds.

Reported in the Isthmus, Nov. 2014

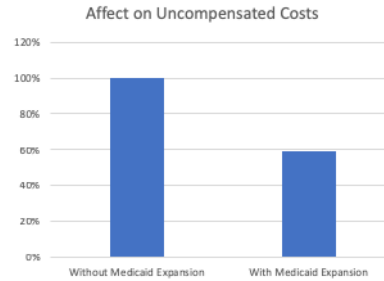


In 2014, 20 municipalities held referendums. The results were that 73% of 1 million people said Wisconsin should adopt Medicaid expansion.

## What do hospitals think of Medicaid?



Waukesha Memorial Uncompensated Care in 2017 was \$24.6 million



Kaiser Family Foundation, March 2018

The vast majority of people living in poverty are doing their best to live within their means and those without health insurance fear having the little that they do own taken away in medical bankruptcy. Because if this, they let their medical conditions worsen to the point where they can't wait any longer. Because they can't afford care, they go to a free clinic if available or hospital emergency room because they know that hospitals are required to treat them.

All hospitals would rather see patients receive care before their condition becomes very costly to treat. Secondly they would rather receive some payment for their services rather than no reimbursement whatsoever. For this reason, they like Medicaid.

Studies have shown there has been 41% reduction in uncompensated hospital care in those states that have expanded Medicaid.

In 2017, uncompensated care for hospitals across Wisconsin rose 14 percent to \$1.1 billion, according to a [report](#) from the Wisconsin Hospital Association.

Because Medicaid expansion will reduce hospital losses, it should also reduce our insurance rates if the cost of services goes down. Studies have shown rates to be

reduced by 7-11% in states that expanded Medicare.

## The Opioid Crisis

- Wisconsin's opioid mortality continues to skyrocket above the national average.
- 50% of those affected by an opioid addiction live below 200% FPL.
- Medicaid, covers 4 in 10 nonelderly adults with opioid addiction.
- Medication-assisted therapy (MAT), reduces the possibility of death by 50% and a 80% chance at successfully ending addiction.

In 2016, 1.9 million nonelderly adults in the United States were addicted to opioids.

There were 865 opioid-related overdose deaths in Wisconsin—a rate of 15.8 deaths per 100,000 persons—15% higher than the national average.

Since 50% of those addicted to opioids live below 200% FPL, Medicaid is in the best position to fighting this crisis.

How?

Access to opioid use disorder treatment, including medication-assisted therapy (MAT), reduces the possibility of death by 50% and a 80% chance at successfully ending addiction.



## Summary – Who benefits?

- 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 subject to financial ruin when faced with an unexpected illness requiring significant medical care.

### Who Benefits?

Workers who are not offered insurance at work and can't afford to buy it on their own.

People who loose their job and can't readily find another

People who can't work because they are taking care of someone else

People afraid to seek medical care fearing financial costs and bankruptcy.

## Waukesha County also benefits:

- A healthier and more available workforce.
- Treatment for those suffering from opioid addiction.
- More healthcare jobs.
- Less reliance on free clinics.
- Lower health insurance rates.
- More funding for expansion of successful county programs such as the Drug Treatment Court.
- More funding for schools and mental health programs.

Besides providing care for those who have no other alternatives, there are other advantages that benefit everyone in Waukesha County.

[read them]

## Questions and Discussion



This concludes my presentation. Can I answer any questions?

If silent..

Who is not sure? Why?

*Convinced we should expand BadgerCare?*

- Contact your state legislators  
<http://legis.wisconsin.gov>
- More information and to sign-up  
<http://www.grassrootswaukesha.org>

**Thank you !**