

Wisconsin's BadgerCare Plus Program: Moving Forward on Health Reform Amid a Recession

As the nation looks forward toward the implementation of the recent health care reform and states struggle to maintain health care programs in the face of a severe economic recession, Wisconsin continues to move forward with a major health reform initiative—implementation of BadgerCare Plus. Wisconsin's BadgerCare Plus Program has successfully built upon Medicaid, providing coverage to almost 770,000 state residents – 235,000 more than before the start of this new program.

Enacted in 2007, the BadgerCare Plus program merged the state's three distinct Medicaid programs for children, parents, and pregnant women into one comprehensive health coverage program. It also expanded eligibility to provide near-universal coverage for children and greater coverage for parents and childless adults. The BadgerCare Plus program for children, parents, and pregnant women was implemented in February 2008; the childless adult expansion was implemented in January 2009.¹

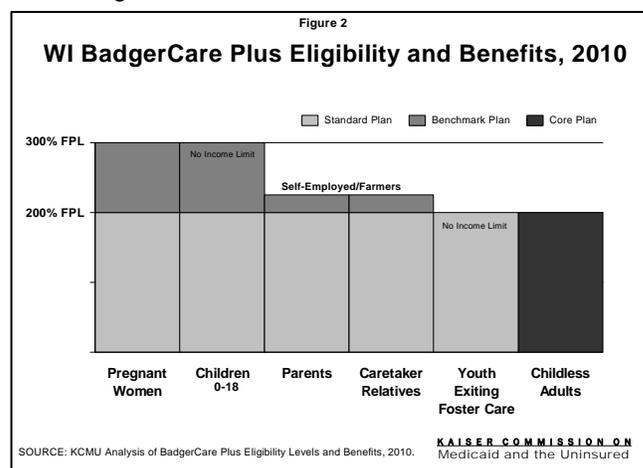
HEALTH COVERAGE IN WISCONSIN

BadgerCare Plus builds on a solid foundation of employer-sponsored health care and Medicaid coverage in the state. In 2008, 68% of the non-elderly population had coverage through an employer, compared to 60% nationwide. Prior to the implementation of BadgerCare Plus, Medicaid eligibility levels in Wisconsin were 185% of the federal poverty level (FPL) (the poverty level was \$22,050 for a family of four in 2009) for children, pregnant women, and parents. While coverage levels for children lagged behind many other states, Wisconsin provided broader coverage for low-income parents. Wisconsin also has a relatively low uninsured rate; approximately 10% of the non-elderly population is uninsured. Wisconsin's goal is to ensure that at least 98% of the population has access to affordable health coverage.

KEY COMPONENTS

Near-Universal Coverage for Children

BadgerCare Plus provides coverage for uninsured children under age 19, regardless of their family income.² Children with family incomes up to 300% FPL receive subsidized coverage, while children above that income level can buy-in to the program at full-cost (currently \$98/month). Children in families with incomes below 200% FPL are not required to pay a premium. Taking advantage of new opportunities through the Children's Health Insurance Program Reauthorization Act (CHIPRA), Wisconsin has also extended coverage to legal immigrant children who were previously unable to obtain Medicaid coverage until they resided in the U.S. for five years. As of April 2010, the number of children enrolled in BadgerCare Plus was over 445,000; 135,000 more than the number of children covered under Medicaid prior to the start of BadgerCare Plus.



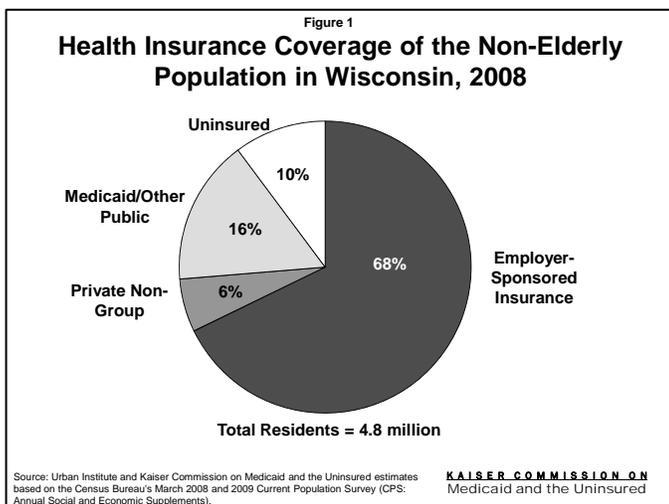
Expanded Coverage for Parents and Pregnant Women

BadgerCare Plus also expanded coverage for parents with incomes up to 200% FPL who have not had access to employer sponsored health insurance coverage in the previous 12 months. Parents with incomes below 150% FPL do not pay a premium and premium costs for children and parents are capped at 5% of family income for those below 300% FPL. Pregnant women with family incomes up to 300% FPL are eligible for coverage, with no premium or cost-sharing requirements. Additionally, young adults who leave foster care at age 18 and some farm and self-employed families are eligible for coverage. As of April 2010, over 86,500 additional parents and almost 3,200 additional pregnant women were covered than under Medicaid before the Badger Care Plus program started.

Coverage for Childless Adults

In January 2009, the state expanded coverage to childless adults with incomes up to 200% FPL, a group that was previously

² Children with access to employer sponsored coverage may still qualify to enroll in the program or receive assistance paying the premiums of their coverage if family income is at or below 150% FPL or the employer pays less than 80% of the premium.



¹The childless adult expansion began in a limited fashion in January 2009; open enrollment statewide began in July 2009.

ineligible for BadgerCare Plus, beginning with those already enrolled in county-funded medical programs. In July 2009, other childless adults who meet the income requirement and have not had private coverage in the previous 12 months became eligible for the BadgerCare Plus Core Plan. As of April 2010, over 60,000 childless adults were newly enrolled in the BadgerCare Plus Core Plan.

Health Care Benefits

BadgerCare Plus offers two different benefit plans for families: the Standard Plan and the Benchmark Plan. The Standard Plan provides coverage to families with incomes at or below 200% FPL and includes the same set of comprehensive covered services as was provided in the previous family Medicaid programs. The Benchmark Plan provides coverage to families above 200% FPL and is modeled after the largest low-cost commercial health insurance plan in the state. It has more limited benefits and has higher co-pay amounts than the Standard Plan. The vast majority of BadgerCare Plus beneficiaries are enrolled in the Standard plan; little more than 15,000 individuals are enrolled in the Benchmark Plan.

The BadgerCare Plus Core Plan for childless adults contains a more limited benefit package than both the Standard plan and the Benchmark plan. The plan covers doctor visits, hospital services, and some generic prescription drugs, among other services. Enrollees pay a one-time \$60 application fee and nominal co-payments for services.

BadgerCare Plus Enrollment April 2010		
	Current Enrollment	Increase since start
Total Enrollment:	769,525	285,606
BadgerCare Plus		
Children	445,024	135,234
Parents	245,054	86,561
Pregnant Women	18,833	3,197
BadgerCare Plus Core Plan		
Childless Adults	60,614	60,614
BadgerCare Plus Basic Plan		
Childless Adults on Wait List		30,000

OUTREACH AND ENROLLMENT SIMPLIFICATION

In addition to expanding coverage through BadgerCare Plus, the state also sought to facilitate and simplify enrollment and renewal in the program. Wisconsin partnered with community-based organizations and health care providers to identify and enroll eligible children and families. Additionally, organizations can automatically enroll children if their family income is less than 250% FPL³ and pregnant women if their family income is below 300% FPL.

Wisconsin also simplified the enrollment process by creating a centralized and paperless application system. This system is fully integrated with an online tool, ACCESS, which allows individuals and families to determine their eligibility for various public programs, apply for benefits, and check their application status. State residents are able to apply for health coverage

³ Income cutoff varies by age of the child: less than age 1, income cutoff is 250% FPL; between 1 and 5, income cutoff is 185% FPL, and between 6 and 18, income cutoff is 150% FPL.

electronically and much of their income and lack of access to employer coverage information is automatically verified.

FINANCING

BadgerCare Plus is financed with a combination of state general program revenue, federal matching funds for Medicaid and the Children’s Health Insurance Program, and premiums paid by enrollees. The childless adult expansion is primarily financed with the \$60 application fee, Disproportionate Share Hospital (DSH) funds and an assessment on hospitals.

IMPACT OF THE ECONOMIC RECESSION

In October 2009, a high demand for coverage and a budget crisis led the state to cap the number of BadgerCare Plus Core Plan enrollees. Approximately 30,000 applicants who were eligible for but not yet enrolled in the Core Plan have been placed on a wait list. In an effort to protect people on the wait list, Governor Jim Doyle proposed the BadgerCare Plus Basic Plan, which would allow those on the wait list to buy-in to a health plan at full-cost. Legislation creating this new program was enacted on April 30th.

The Basic Plan offers more limited benefits than the Core plan and includes up to ten physician visits, one hospital visit, and five outpatient visits per year, as well as access to generic prescription drugs. The premium for the Basic Plan will cost \$130/month. Enrollment began June 1, 2010 with coverage beginning in July 2010.

LESSONS FOR STATE AND NATIONAL HEALTH REFORM

As the national health reform debate progresses and states try to maintain current health care programs in the wake of the economic recession and growing demand for coverage, Wisconsin continues to expand health coverage to nearly all state residents. These efforts to expand coverage can provide important lessons for other states as well as national health reform.

Medicaid as a Foundation for Health Reform

The BadgerCare Plus program serves as one example of how coverage expansions can build on Medicaid to provide a stronger platform for national health reform. In Wisconsin, children, parents, pregnant women, and childless adults of various income levels are all enrolled under one streamlined program. Additionally, the enhanced federal matching rate helps states preserve coverage during difficult economic times.

Streamlined Processes

Wisconsin has been a leader in simplifying enrollment and renewal in health care programs, which reduces eligibility confusion and lapses in coverage. With the enactment of national health reform, processes will need to be developed that streamline programs and enable people to move between different types of coverage when their income fluctuates. Given that the current law includes multiple avenues for obtaining coverage, a centralized and easily accessible application system will be important.

Despite state fiscal constraints and rising demand, Wisconsin continues to move forward to expand coverage to nearly all state residents. Other states can look to Wisconsin as one model for successfully expanding health coverage and simplifying programs to decrease the number of uninsured.

This publication (#8078) is available on the Kaiser Family Foundation’s website at www.kff.org.