



The Wisconsin Long-Term Care Coalition  
**Keep Our Care at Home**

The Honorable Paul Ryan  
20 South Main Street  
Suite 10  
Janesville, WI 53545

Dear Mr. Speaker:

Congratulations on your re-election as Speaker of the United States House of Representatives. We look forward to working with you.

The Wisconsin Long-Term Care Coalition is made up of aging and disability advocates, managed care organizations, Aging and Disability Resource Centers, county government, and long-term care providers. Our coalition advocates on behalf of Wisconsin's Medicaid-funded long-term care system, which serves 60,000 people with disabilities and older adults. Wisconsin's nationally recognized system successfully keeps people with disabilities and older adults in their own homes and out of costly institutional settings, which saves taxpayers money.

We are writing to discuss questions and concerns we have about the potential, significant changes to the Medicaid program, specifically the proposal to transform the program from a needs-based funding mechanism to a Block Grant or Per Capita allotment to states. We believe a Medicaid Block Grant proposal would fundamentally alter the partnership between the federal government and states, and lead to many unintended detrimental consequences for the 1.2 million Wisconsin children, seniors, low-income adults and people with disabilities who are covered by the program.

One in five Wisconsinites use a Medicaid program to access health care or long-term care services. Children are the largest population of people in Wisconsin Medicaid programs, and Medicaid offers critical supports that are not available or accessible on the private market to older adults, people with physical disabilities, people with intellectual/developmental disabilities, people with mental health conditions, and low-income working adults.

Wisconsin has successfully used federal waivers to flexibly tailor its Medicaid system to meet the health and long-term care needs of its citizens. Wisconsin state government has made extensive use of federal waivers (e.g. BadgerCare Plus, Family Care, Partnership, SeniorCare, IRIS, and Children's Long Term Support, etc.) to shape and design programs to specifically meet the health and long-term care needs of the people of Wisconsin. By leveraging these flexibilities, Wisconsin was able to become the only state in the nation that turned down Medicaid expansion under the Affordable Care Act and does not have a coverage gap for adults.

Wisconsin's waivers and the state level innovations they have enabled have realized cost savings for the state and federal governments in many cases. For example,

- Wisconsin's Family Care waiver reduced the total Medicaid spending on long-term care from 53% in 2002 to 43% in 2011 and will completely eliminate waiting lists for adult services by 2018. Family Care/IRIS saves Wisconsin taxpayers \$300 million per year compared to the programs they replace.
- SeniorCare has helped thousands of older adults afford their prescription drugs while utilizing rebates from drug companies to pay over 60% of the program's cost.
- A study done by the University of Wisconsin Population Health Institute found that expanding BadgerCare coverage to childless adults in 2009 reduced hospitalizations and improved health by increasing access to primary care.

We urge you to obtain answers to the following questions before supporting any proposals to change Medicaid funding to a block grant and/or other major changes to Medicaid:

- Will such changes result in significant decreases in Medicaid funding for Wisconsin over time, putting the state in the position of restricting or eliminating needed services or denying access to health and long-term care for many citizens?
- Block grants in other programs have resulted in large decreases in funding, and recent Medicaid block grant proposals would result in an estimated 25%-35% decrease in federal Medicaid funding over time. How will states make up for this reduction in funding? Will block grants put Wisconsin at increased financial risk?
- Will the fact that Wisconsin has not accepted additional Medicaid funding under the Affordable Care Act (ACA) put us at a disadvantage in receiving a fair share of Medicaid funds under a block grant proposal compared to other states?
- Will changes at the federal level result in substantial cost-shifting to Wisconsin state taxpayers? For example, how will the Medicaid program respond to increased demand, such as an economic downturn or health epidemic? How will the program account for projected Medicaid growth due to Wisconsin's aging population, rising prescription drug costs and health care inflation, which grows at a rate much higher than traditional inflation?
- Will certain populations experience service cuts or even become ineligible for Medicaid?
- Will existing highly successful Medicaid waiver programs be eliminated? What does that mean for the future of Family Care, IRIS, Partnership, BadgerCare Plus, and the people enrolled in these programs?

- With statewide expansion of Family Care and IRIS, Wisconsin is set to become one of the first states in the nation to end waiting lists for adult long-term care. Will a block grant provide the appropriate level of funding to keep the state's commitment to ending waiting lists? Or will such changes take Wisconsin back 25 years to the days where people waited decades (and sometimes died waiting) for needed supports? If people cannot access Medicaid long-term care programs will they be forced back into institutions?
- There are currently 2,573 Wisconsin children with disabilities on a waiting list to receive services through the Children's Long Term Support waiver. Will it be possible to end this waiting list in a block grant scenario or will it continue to grow?
- Will low-income people eligible for Medicaid face higher premiums and co-payments? If low-income individuals lose Medicaid access either because they cannot comply with new eligibility requirements or there are waiting lists for services, will there be cost-shifting to other areas of the health care system?
- Wisconsin hospitals have reported decreased levels of uncompensated care over the past three years. How can we ensure that uncompensated care costs don't increase in a block grant?
- Will spousal impoverishment protections be eliminated?
- Wisconsin already has provider shortages in several key areas such as personal care, mental/behavioral health and dental care that are leaving people with disabilities without needed supports. How can we develop our provider network and ensure that providers are paid sufficient rates in a block grant? Will there be rate cuts to Medicaid provider agencies that will ultimately put some of them out of business?
- Wisconsin is currently working on several quality initiatives within its long-term care programs to ensure that people with disabilities and older adults are achieving high quality of life outcomes, such as community living and employment. Will funding be available outside of the block grant formula to support state investments in quality initiatives?

These are just a few of the many questions about the implications and consequences of a Medicaid block grant on the people of Wisconsin and the state budget. We believe that Wisconsin has made good use of Medicaid funds to provide access to healthcare and long-term care for over 1 million low-income residents who are mostly children, parents and caretakers, and elderly, blind and disabled persons. We have also made creative use of federal waivers to make health and long-term care services more responsive to the needs of our citizens.

Now, we are asking you to seek clear answers to these questions before advancing changes that could have serious negative impacts on Wisconsin's Medicaid population. Thank you for considering our concerns and questions.

We are happy to meet with you to discuss Medicaid block grants and their potential impact on Wisconsin in more detail, and look forward to working with you in the future.

Sincerely,

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CC: Members, Wisconsin State Legislature