

CO-SPONSOR MEMO

FROM: Senator Jon Erpenbach, Rep. Daniel Riemer

RE: Accepting Wisconsin's share of the federal Medicaid tax dollars

LRB 3868 and LRB 2962

Wisconsin is now one of 14 states that has not yet expanded Medicaid. Instead, our federal tax dollars are being used to support Medicaid-eligible populations in other states.

The Department of Revenue estimates that in Federal Fiscal Year 2020, Wisconsin taxpayers will pay approximately \$1.01 billion to provide health insurance coverage to eligible people in other states. Over the biennium, the total rises to \$2.07 billion. This is money that will go out the door regardless of whether or not we expand Medicaid in Wisconsin.

To be clear, refusing to change the income eligibility limits in our Medicaid program, DOES NOT SAVE WISCONSIN MONEY. In fact, Wisconsin receives nothing in return for its investment. Instead, other states, like Illinois, or New Jersey for example, receive Wisconsin tax dollars to spend on their state programs.

This bill makes the fiscally responsible decision to change the eligibility levels in the Wisconsin Medicaid program from 100% of the federal poverty limit to 133% of the federal poverty level, and bring \$2 billion Wisconsin federal tax dollars home instead of donating them elsewhere.

To add your name as a cosponsor of this legislation, call the Erpenbach office at 266-6670, the Riemer office at 266-1733. Deadline for co-sponsorship is MONDAY AUGUST 12th at noon.

Analysis by the Legislative Reference Bureau

This bill changes the family income eligibility level to up to 133 percent of the federal poverty line for parents and caretaker relatives under BadgerCare Plus and for childless adults currently covered under BadgerCare Plus Core and who are incorporated into BadgerCare Plus in this bill. BadgerCare Plus and BadgerCare Plus Core are programs under the state's Medical Assistance program, which provides health services to individuals who have limited financial resources. The federal Patient Protection and Affordable Care Act allows a state to receive an enhanced federal medical assistance percentage payment for providing benefits to certain individuals through a state's Medical Assistance program. The bill requires the Department of Health Services to comply with all federal requirements and to request any amendment to the state Medical Assistance plan, waiver of Medicaid law, or other federal approval necessary to qualify for the highest available enhanced federal medical assistance percentage for childless adults under the BadgerCare Plus program. DHS must ensure that any increased funding resulting from the bill is used to improve access to and affordability of health care and to support health care quality for Wisconsin residents.

Under current law, certain parents and caretaker relatives with incomes of not more than 100 percent of the federal poverty line, before a 5 percent income disregard is applied, are eligible for BadgerCare Plus benefits. Under current law, childless adults who 1) are under age 65; 2) have family incomes that do not exceed 100 percent of the federal poverty line, before a 5 percent income disregard is applied; and 3) are not otherwise eligible for Medical Assistance, including BadgerCare Plus, are eligible for benefits under BadgerCare Plus Core. The bill eliminates the childless adults demonstration project known as BadgerCare Plus Core. For further information see the state fiscal estimate, which will be printed as an appendix to this bill.