

Growth of Poverty Wage Jobs Makes Rejection of BadgerCare Dollars a Fiscal Threat

Written by Citizen Action of Wisconsin, Robert Kraig

Monday, 04 May 2015 16:37 - Last Updated Tuesday, 05 May 2015 09:25



STATEWIDE - The combination of the growing number of poverty wage jobs that do not provide health benefits and Governor Walker's decision to reject federal dollars for BadgerCare are already having a major fiscal impact on the state budget, which will grow worse for the foreseeable future.

The number of Wisconsin workers eligible for BadgerCare and who work for large poverty wage employers has increased by 8% over the last year, [according to data released last week by the Wisconsin Department of Health Services](#)

. Highly profitable corporations such as Walmart, McDonald's, Kwik Trip and Target now have more employees on BadgerCare than they did in 2013. New [federal data released last week](#)

shows that Medicaid enrollment in Wisconsin has increased more than 6.8% over the last year.

One of the main drivers increasing BadgerCare enrollment is the failure of Wisconsin's economic development policies to produce family supporting jobs which include health benefits.

[Nine of the top ten occupations with job openings in Wisconsin have low or very low wages and benefits](#) . The two fastest growing occupations in Wisconsin are retail and fast food jobs. Recent reports from the [UW-Madison Institute for Research on Poverty](#) and the [UW-Milwaukee Center for Economic Development](#)

confirm that poverty wage jobs are the major source of job growth in Wisconsin, and that poverty continues to increase even as more of these jobs are created.

The disturbing growth in poverty wage jobs is making the fiscal impact of Governor Walker's decision to reject enhanced federal dollars for BadgerCare even worse. This is because Wisconsin is needlessly paying 40 cents on the dollar for many BadgerCare enrollees who could be entirely paid for with federal dollars. The Legislative Fiscal Bureau estimates each individual on BadgerCare not covered with the enhanced federal funding Walker rejected [costs Wisconsin \\$4,596 per year](#)

. The Fiscal Bureau estimate of the cost of this decision continues to increase. According to the most recent estimate, the decision to reject enhanced federal Medicaid dollars [will cost the state \\$345 million](#)

in the next budget, unless the Legislature reverses it.

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“The combination of the failure of Governor Walker’s economic policies to create family supporting jobs and his misguided decision to reject federal funds for BadgerCare together are having a major negative impact on the state budget which will grow worse over time,” said Robert Kraig, Executive Director of Citizen Action of Wisconsin. “Governor Walker’s economic, health care, and budget policies are creating a perfect storm of destruction, needlessly denying affordable health care to tens of thousands, shrinking the middle class, and leaving hundreds of millions of dollars on the table that could be used to support education, long term care, and other vital investments needed to expand opportunity.”