

Use New Federal Money For Badgercare to Help Workers & Lower Premium Costs

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Senator **Vinehout** writes about the savings to the state if the Governor and majority of Legislators had fully implemented the federal Affordable Care Act (ACA) . She had asked the Legislative Fiscal Bureau to do a new estimate updated from the figures provided during the 2013-15 budget debate.

ALMA - “I’m so glad to see you,” Mary from Eau Claire told me at a recent neighborhood gathering. I asked how she was doing.

“It’s hard,” she admitted. “I work 32 hours a week. I make \$8.00 an hour. I tried to get more hours but they won’t let me.” Her husband, Tom, lost his maintenance job at the university. He’s a 23-year Army Reserve veteran but there’s no pension and no new job in sight.

“My twin sister lives in La Crosse. I love her dearly. I haven’t seen her since Christmas. I’d love to visit her but when I get all the bills paid, I don’t even have \$20 for gas to get me there and back,” Mary said. “And, I don’t have any health insurance. What if something happened to one of us?”

Mary and Tom (not their real names) aren’t eligible for BadgerCare and can’t afford a single new expense. The couple falls through the cracks of Wisconsin’s health insurance safety net. Hitting bottom with an unexpected medical expense would devastate them – and hurt all of us.

The holes in this safety net could be patched. Mending the net would help Mary, Tom, and couples like them while also bringing down the cost of health insurance for all the rest of us.

Mending the net would also make a big difference in the state's ability to balance its books.

According to State Health Facts compiled by Kaiser Family Foundation, about 14% of those in Wisconsin between age 19 and 64 do not have health insurance.

Some of the uninsured found insurance through BadgerCare and some through the federal Marketplace. But others who were covered by BadgerCare are now without coverage.

The Milwaukee Journal Sentinel recently reported that of the 62,000 plus people who lost BadgerCare in April, less than a third found health insurance in the Marketplace by mid-June. Looking at the same data, Wisconsin Council on Children and Families analyst Jon Peacock reported, "I'm not optimistic that a very large portion of the roughly 38,000 people whose [health insurance] status is unknown have gotten private insurance outside the Marketplace."

Peacock concluded these new –likely uninsured – people will "make it harder to reach the Governor's goal of cutting in half the number of uninsured Wisconsinites."

Under the Governor's changes to the BadgerCare program, eligibility for most adults is limited to those who make under 100% of the federal poverty level – that means an annual household income of \$11,670 for a single person. This limit is increased - for a single person- by more than \$3,800 under the federal Affordable Care Act. And as family size increases, so does the income limit.

Under Wisconsin's current BadgerCare program the federal government pays 59% of the cost of those covered by the program. However, the Affordable Care Act provides states additional dollars to cover 100% of "newly-eligible" groups for calendar years 2014-2016, 95% of costs in 2017, 94% in 2018, 93% in 2019 and 90% in 2020 and every year after. Those who voted for the most recent state budget turned down the additional federal funds.

I recently asked the non-partisan Legislative Fiscal Bureau (LFB) what the difference in spending would have been, compared to current law, if Wisconsin had fully implemented the federal health law.

Just in the current budget, the state would have saved \$206 million (in general funds) and covered another 87,000 people. These numbers are substantially higher than the original estimates made by the LFB during the budget debate. This is, in part, because the state saw higher than expected enrollment in BadgerCare by the very poor.

Recent numbers show taking such action to implement the federal health law would save over \$250 million in the next budget. Our Medicaid program is currently on track to run over \$200 million in the red. Taking money offered by the feds is clearly the fiscally prudent action.

But more important is our moral obligation to help couples across the state like Mary and Tom.

By helping them, we help ourselves: every uninsured person who gains coverage helps lower insurance premiums for the rest of us.

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