

Do State Lawmakers Really Know All the Details of Walker's Medicaid Plan?

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Will the truth on Walker's medicaid blunder get out of the Madison-Milwaukee echo chamber? Republican lawmakers are fooling themselves and the public if they believe Walker's talking points on health care reform, says Senator Kathleen Vinehout in her latest column on the **Governor's plan for Medicaid** that was affirmed by the Joint Finance Committee.

MADISON - "We want to make things better," one of the Finance Committee members recently told his colleagues. This Medicaid plan, he said, "Protects taxpayers, strengthens the safety net and lowers total cost to taxpayers."

What actually happened would cost the state a hundred million more dollars than full Medicaid expansion, drop coverage for 84,000 people and leave almost half a billion of federal dollars on the table in this coming budget.

Only half of those who lost Medicaid will likely ever sign up for private insurance. When they do, their federal cost to taxpayers will be \$3,000 more per person than if they had stayed on the Medicaid program.

Some lawmakers argue the safety net will be strengthened by opening up the Medicaid doors to all those who make less than \$11,500 a year for a single person; that those who lose Medicaid are easily covered under the exchange and in the long run taxpayers save.

The problem: private insurance costs more to buy and more to administer. Poor people are unlikely to sign up for something they can't afford.

Fiscal Bureau analysts caution the "take-up" rate, meaning those poor families who actually sign up for private insurance, will be much less than the near perfect number estimated in the administration's budget.

This concern is justified. According to a Congressional Budget Office (CBO) study from last summer, an estimated one half of those losing Medicaid will never buy private insurance.

Those who do will receive federal tax credits and subsidies. Because of the increasing cost of subsidies and credits, CBO estimates federal spending would rise by roughly \$3,000 per person by 2022. This is the difference between exchange subsidies of about \$9,000 per person and estimated Medicaid savings of roughly \$6,000.

Some analysts are quietly grateful at least the Governor decided to allow those up to 100% of the Federal Poverty Limit (FPL) - \$11,500 for a single person - to receive Medicaid. Anyone below 100% of FPL is not even eligible for subsidies or tax credits. This limited lawmakers' choices.

The majority of the state's budget writing committee affirmed the only choice the Governor had if he wanted to continue to argue that he still opposed "ObamaCare": cover those with incomes at or below 100% of FPL and drop (or phase out) Medicaid for parents who now receive Medicaid and make up to twice the FPL.

Simply put – if you make under \$11,500 as an individual or \$15,500 as a couple you will be eligible for Medicaid. If not, you'd better find out about the exchange because you can't get on Medicaid.

Three additional factors add sting to this decision. Unlike the federal law, the Governor's plan does not modify your income by dropping 5% to determine eligibility. Second, the plan changes the law to require that depreciation be counted as income. This is a big change for farmers who

argue depreciation is not real money they can save but an adjustment on tax forms. Third, 18 year-olds are no longer covered unless they are still in high school or technical college and will graduate by age 19. Foster children are still covered until age 26.

Republican leaders appear to be following the Arkansas approach of partial Medicaid expansion. However, if Arkansas is the model, the Governor might have duped Republicans on the Finance Committee.

To move towards the Governor's plan, the feds require the state to seek a waiver of federal law. If Arkansas' case is prologue, Wisconsin may be required to treat those dropped from Medicaid as if they are still on Medicaid - with choice of at least two qualifying health plans and "wrap-around" Medicaid-like services if benefits are less or cost sharing is more.

Correspondence from the feds to Arkansas makes it clear the feds will evaluate each waiver on a case-by-case basis. Budget language makes it clear this waiver must be sought and followed. This leaves a lot up the air.

Especially for elected officials who want to hit the campaign trail saying, "I said 'no' to ObamaCare."

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