



COMMUNITY ADVOCATES  
Public Policy Institute

## 2017-2019 Budget Priorities: Protect Low-Income Wisconsinites and Invest in Programs that Work for Workers

### Medicaid Expansion

**Background:** A recent Legislative Fiscal Bureau (LFB) analysis projected that expanding BadgerCare to cover adults with incomes up to 138% of the federal poverty level (FPL) could save Wisconsin taxpayers \$380 million and provide health coverage to approximately 80,000 Wisconsinites. The enhanced federal financing would cover 90% or more of the cost of providing BadgerCare coverage to childless adults. Rejecting this enhanced federal funding has cost Wisconsin \$690 million since 2014 and has covered tens of thousands fewer Wisconsinites each year.

**Recommendation:** Expand BadgerCare in order to protect vulnerable families, prevent a sharp increase in uninsured Wisconsinites, and head off a surge in uncompensated care.

### Waiver for Work Requirements in Medicaid

**Background:** The Governor has recommended requiring 49,200 childless adults in BadgerCare to participate in job training and employment assistance services.

**Recommendation:** Remove this from the budget. *potential audit of prgrm*

### Waiver for Medicaid Funds to Address Homelessness

**Background:** The Governor has recommended that Wisconsin create a position at the Department of Health Services to create a federal waiver request to use Medicaid funding for services that alleviate homelessness.

**Recommendation:** Support.

### Transitional Jobs

**Background:** The Governor recommended adding \$1 million to transitional jobs program for expansion of the programs to four counties (Adams, Clark, Jackson, and Juneau).

**Recommendation:** Support the expansion and increase the funds to provide \$15 million annually and to make the program statewide.

### Homestead Credit

**Background:** The Governor recommended 1) restoring the annual indexing only for tax filers who are 62 or older or have a disability; 2) modifying the credit to limit it to no more than 20% of earned income for able-bodied adults under age 62; and 3) disqualify claimants with business and investment losses greater than \$15,000.

**Recommendation:** Apply the inflation adjustments to all households eligible for the Homestead Credit, and reject the other proposed changes.

### Earned Income Tax Credit

**Background:** The Governor recommended implementing a three-year period in which a newly married couple can choose whether to take the EITC based on single filer or married status—whichever provides the higher credit. With the three-year “honeymoon,” the couple can maintain the higher credit.

**Recommendation:** Support this change, but move the “honeymoon” period out to five years; and restore the cuts made to the state EITC supplement in the 2011-2013 state biennial budget for families with more than one child.

*→ right place for this requirement?*

*any extra \$ are helpful*

*\*second 2 requirements dont make much sense to org.*

### **Civil Legal Aid**

→ effect b/c of Trump budget + Fed level stuff

**Background:** The budget's errata recommends removing the last budget's commitment of \$1 million in TANF funds to address the civil legal needs of low-income survivors of domestic violence and sexual assault. This comes at a time when federal funding for civil legal aid is under significant threat.

**Recommendation:** Protect and expand TANF funding for civil legal aid to \$5 million and remove the provision restricting these funds to only survivors of violence and sexual assault so that the funds can be utilized for more TANF-eligible families.

### **W-2 Worker Supplement**

**Background:** The Department of Children and Families wants to provide small supplemental payments to W-2 participants who have moved into unsubsidized employment, both to support their working, and to encourage participants to maintain contact with W-2 after they are no longer eligible for cash assistance. This will help the state document participants' work status, and improve Wisconsin's Work Participation Rate.

**Recommendation:** Support.

### **Wisconsin Shares Copay Structure**

**Background:** Currently, there are substantial cliffs as working parents receiving Wisconsin Shares hit the eligibility limit of 200% of poverty, either through higher wages or more hours or a combination of both. These changes will help alleviate the sudden loss of eligibility. While they will not completely eliminate the cliff effects, they will help.

**Recommendation:** Support.

### **Self-Insuring State Employees**

**Background:** Since 1983, the WSEHP has provided health insurance via 72 health insurance exchanges—one exchange for each county in Wisconsin. There are 17 insurers competing in the WSEHP in 2017. Two sparsely populated counties have two plans. In the rest of the 70 counties, state employees can choose between three and nine plans.

Wisconsin's Group Insurance Board has recommended moving from that competitive model in which insurers take on the risk of paying claims to a model in which only two third party administrators run the plan in each of four regions along with one statewide/nationwide administrator and taxpayers take on the risk of paying claims.

Republicans in Congress have considered ACA marketplaces with a small number of competitors to be a failure. During a February 5, 2017 appearance on NBC's *Meet the Press*, House Speaker Paul Ryan said "Five states have one plan to choose from. A third of all the counties in America have one plan to choose from. Seventy percent of all counties in America have one or two plans to choose from—that's a monopoly or duopoly." In an address to a joint session of Congress, President Trump said "One-third of counties have only one insurer, and they are losing them fast. They are losing them so fast. They are leaving, and many Americans have no choice at all. There's no choice left."

Speaker Ryan implored his fellow Republicans to "step in front of this crash and rescue people from this collapsing health care system and replace it with something better." President Trump said "Obamacare is collapsing, and we must act decisively to protect all Americans."

While Congressional Republicans deride Affordable Care Act marketplaces for having limited competition in many regions, a board of Republican appointees charged with overseeing the Wisconsin State Employee Health Plan (WSEHP) has voted to purposely move from a highly competitive insurance market to a self-insured model with a limited number of regional competitors.

**Recommendation:** Reject the Group Insurance Board's plan and explore cost-saving alternatives.