

Senator Erpenbach
Senator Johnson
Representative Goyke
Representative Neubauer

OMNIBUS BUDGET MOTION

Full Medicaid Expansion

Motion:

Move to amend Motion #19 to remove from the list of items to be removed from the budget, the Full Medicaid Expansion budget item (p. 253, #3 of the LFB Summary of the Governor's Budget), thereby retaining full expansion for consideration by the Committee.

Note:

The Governor's bill would increase the medical assistance (MA) program income eligibility thresholds for adults to 133% of the federal poverty line, which would make the state eligible for enhanced federal matching funds associated with full Medicaid expansion. The bill would reduce GPR funding for MA by \$328,481,300 in 2021-22 and \$305,618,700 in 2022-23 and increase federal funding by \$675,883,500 in 2021-22 and \$717,004,600 in 2022-23 to reflect the effect of expanding coverage and using enhanced federal matching funds to reduce state GPR expenditures for childless adults currently covered under the program (net of administrative costs).

Motion #19 would exclude the full Medicaid expansion item from further consideration by the Committee. This motion would amend Motion #19 to keep full Medicaid expansion as an item for consideration by the Committee. This motion has no fiscal effect in itself. Instead, the fiscal effect on the MA program would depend on a subsequent decision by the Committee on full Medicaid expansion.

The federal American Rescue Plan Act (ARPA) includes a provision that provides a financial incentive to adopt full Medicaid expansion for states that have not yet done so. Specifically, any non-expansion state that adopts full expansion would be eligible for a temporary 5.0 percentage point increase to the state's federal matching percentage, applicable for the two years following implementation. Since ARPA was enacted after the Governor introduced the budget bill, the fiscal effect of this incentive is not reflected in the bill. In a letter to the Committee Co-Chairs dated April 23, 2021, the Secretary of the Department of Administration requested that the GPR appropriation for medical assistance be reduced by \$1,038,922,000 over the biennium (\$529,500,000 in 2021-22 and \$509,421,800 in 2022-23) to reflect the estimated GPR effect of the incentive. Because this GPR savings results from a one-time incentive, these savings would occur during the 2021-23 biennium only and is separate from the GPR savings that is reflected in the Governor's bill, which has an ongoing effect. If this motion were to pass and the Committee adopts full Medicaid expansion during a subsequent executive session, these GPR reductions (and corresponding FED increases) could be made at that time.

M# 21

BORN	Y	(N)	A
LOUDENBECK	Y	(N)	A
KATSMAN	Y	(N)	A
ZIMMERMAN	Y	(N)	A
RODRIGUEZ	Y	(N)	A
KURTZ	Y	(N)	A
GOYKE	(Y)	N	A
NEUBAUER	(Y)	N	A

MARKLEIN	Y	(N)	A
STROEBEL	Y	(N)	A
KOOYENGA	Y	(N)	A
FELZKOWSKI	Y	(N)	A
BERNIER	Y	(N)	A
BALLWEG	Y	(N)	A
ERPENBACH	(Y)	N	A
JOHNSON	(Y)	N	A

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