

WISCONSIN SENATE REPUBLICANS

ISSUE BRIEFS FOR THE 2015-16 LEGISLATIVE SESSION

HEALTH CARE: OVERVIEW

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MEDICAID

HISTORY

Wisconsin's medical assistance (MA) program provides health care services for people with limited resources, using a combination of state funds and federal matching funds.

The state's MA program has two primary components: BadgerCare Plus and Elderly Blind Disabled (EBD) Medicaid.

- BadgerCare Plus provides low-income children, their parents, and childless adults with health care services, such as physician services, inpatient and outpatient hospital care services, and vision and dental care.
- EBD Medicaid provides elderly, blind, and disabled individuals with long-term care services, as well as the same acute care services typically used by BadgerCare Plus recipients. It also provides long-term care services under home and community-based waiver programs, such as Family Care.

MA has several subprograms that provide limited benefits, targeted to certain people who are not otherwise eligible for EBD Medicaid or BadgerCare Plus:

- SeniorCare, which provides prescription drug assistance to persons age 65 and over
- The Family Planning Only Services Program, which provides coverage for contraceptive services and testing and treatment for sexually transmitted diseases
- The Wisconsin Well Woman Program, which provides preventive health screening services to women with little or no health insurance coverage and provides treatment to women diagnosed with cervical or breast cancer

MA EXPENDITURES AND PARTICIPATION

YEAR	EXPENDITURES (\$ IN MILLIONS)	AVERAGE MONTHLY ENROLLMENT
2004-05	\$4,453.9	741,000
2005-06	4,421.4	761,300
2006-07	4,692.3	765,500
2007-08	4,950.7	801,100
2008-09	5,944.9	894,500
2009-10	6,696.1	1,042,500
2010-11	7,181.7	1,098,000
2011-12	6,597.2	1,112,700
2012-13	7,187.7	1,104,100
2013-14	8,115.4	1,098,700
2014-15	\$8,527	1,125,600

AFFORDABLE CARE ACT

The federal Affordable Care Act (ACA) was signed into law in 2010. Components of the ACA include:

- **GUARANTEED ISSUE:** Insurance companies under the Affordable Care Act can't require different rates based on a person's health or medical history. The ACA allows [five factors](#) to be considered in setting premiums: location, age, plan category, coverage for dependents and tobacco use.
- **INDIVIDUAL MANDATE:** Individuals must secure an approved private-insurance policy if they are not covered by an employer sponsored health plan or government health plan.
- **EMPLOYER MANDATE:** Businesses that employ 50 or more people must provide health insurance for full time employees. The ACA allows employers to vary premiums by up to 30% to reward employees for participating in wellness programs and achieving specific metrics of health.
- **HEALTH CARE SUBSIDIES:** Low-income individuals and families whose incomes are between 100% and 400% FPL receive federal subsidies on a sliding scale if they purchase insurance via a health care exchange.
- **MEDICAID EXPANSION:** States were allowed to expand Medicaid eligibility to include individuals and families with incomes up to 133% FPL.

ACA IMPACT

- Since the law's enactment, costs for employers and individuals have increased due to the new mandates.
- The ACA's regulatory burden has resulted in some health insurance companies pulling out of the health care exchange and cancelling their coverage areas. For example, Anthem Blue Cross Blue Shield canceled some individual insurance plans across portions of Wisconsin.
- There are holes in coverage, despite the federal subsidy, since many plans on the exchange are still unaffordable for low-income families. According to the most recent data (2014) on health care coverage in Wisconsin, 7% of the population is uninsured.

2014 BREAKDOWN OF HEALTH INSURANCE COVERAGE IN WI

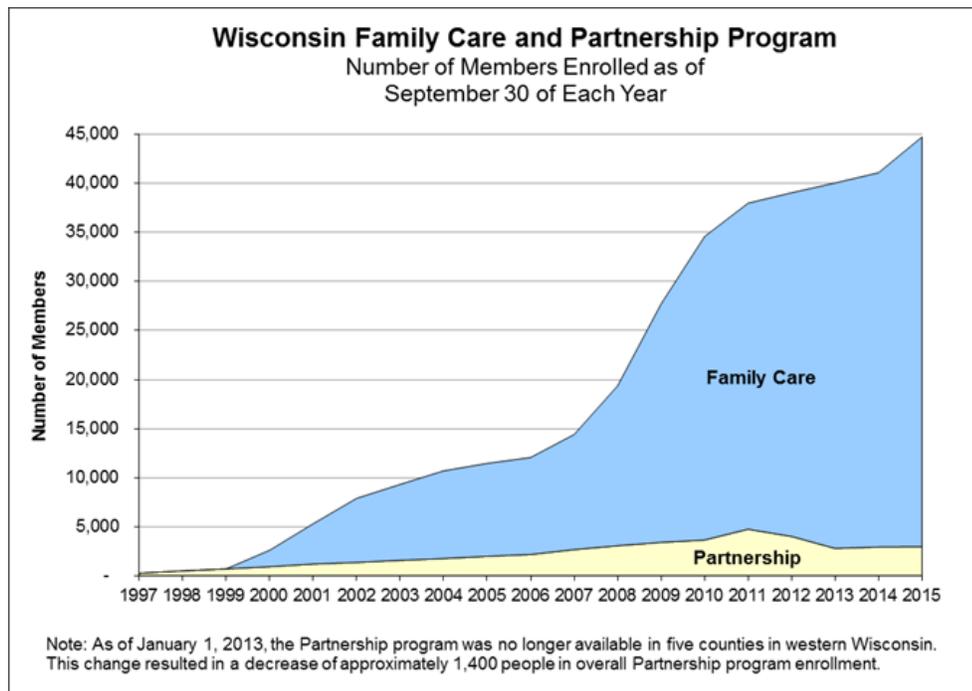
LOCATION	EMPLOYER	NON-GROUP	MEDICAID	MEDICARE	OTHER PUBLIC	UNINSURED	TOTAL
Wisconsin	55%	6%	17%	14%	N/A	7%	100%

*Kaiser Family Foundation estimates based on the Census Bureau's Current Population Survey

CHANGES IN ELIGIBILITY & ENROLLMENT GROWTH

As a result of the ACA, Wisconsin made modifications to Medicaid eligibility, such as partially expanding Medicaid to include non-elderly childless adults with incomes below 100% FPL.

As FamilyCare is expanded statewide, the increasing enrollment has impacted state spending. Though long-term care participants make up 7% of the overall Medicaid enrollees in Wisconsin, the program is responsible for 40% of the state's Medicaid costs.



HEALTH CARE COST INCREASES

According to studies by the Government Accountability Office and Health Care Cost Institute, a nonprofit organization created to make claims data from health insurers available to researchers, Wisconsin has some of the highest medical prices in the country. The Health Care Cost Institute found that prices for 235 common medical services grouped as "care bundles," ranging from basic tests to back surgery, were on average 81% higher in Wisconsin than the national average.

LEGISLATION

AB 453 (ACT 127) – Expands FamilyCare to Rock County.

SB 21 (ACT 55) – Makes various changes to Medical Assistance, which include limiting eligibility to BadgerCare Plus Core to no more than 48 months, requiring drug screening, and requiring a health risk assessment.

SB 687 (ACT 215) – Authorizes certain changes to the organizational structure of a long-term care district (LCD) participating in the FamilyCare program. The law allows the Department of Health Services to contract with an LCD to operate outside of their geographic area.