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To: Members of the Wisconsin Joint Finance Committee
From: Ken Taylor, Executive Director
Re: Medicaid Funding and Oversight – LFB Papers 340 and 341

Health insurance for children and families is one of the most cost effective health care investments we can make. We urge you to reject budget cuts that will significantly increase the number of uninsured families, thereby increasing reliance on emergency rooms and shifting costs to people with private insurance (and their employers).

The Legislative Fiscal Bureau recently indicated that state revenue will be about \$200 million per year higher than previously estimated. Investing a portion of that funding in Medicaid and BadgerCare would yield a very high return because: 1) it captures federal matching funds and 2) it avoids the increases in uncompensated care costs that result from cuts.

We urge you to protect the integrity of the BadgerCare Program and preserve a strong legislative role in shaping Medicaid policy by supporting the following LFB alternatives in Papers 340 and 341:

- LFB Paper 340 – Alternatives 1 and 2 – It is important to use realistic & conservative estimates of the base cost. Regardless of whatever other choices are made about how to balance the Medicaid budget, it is important to start the process with a reasonable assessment of the size of the hole that has to be filled.
- LFB Paper 341 – Alternative 3 – Please protect current eligibility and benefits by rejecting the unspecified cuts. As the LFB notes at point #14 in its discussion of the unspecified changes (p. 5), there has been a “lack of supporting documentation provided by the administration, both with respect to the precise nature of those changes and the reasonableness of the funding reductions attached to those changes.”
- LFB Paper 341 – Alternatives 2a and 2b – Maintain legislative authority over Medicaid and BadgerCare Plus policymaking by, at a minimum, approving alternatives 2a and 2b in LFB Paper 341. (In addition, we hope that when the Legislature revisits the policy choices made in Act 10, that you will amend that legislation to require that any DHS rules that would supersede state statutes must be approved by the full Legislature).

Our state has made important progress in improving access to quality affordable health care, not only since BadgerCare Plus began in 2008, but going back to the expansion of coverage to parents, which was championed by Governor Thompson back in the late 1990s. Making health care available and affordable for low-income working families was an essential part of our state’s welfare reform efforts in the 1990s and is no less important today. Please do not roll back the progress that our state has made.