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BadgerCare Receives \$24.5 Million Bonus from Feds for Success in Covering Uninsured Kids

Madison, Wisconsin – Wisconsin’s success in improving access to health care for children through the BadgerCare program is being rewarded with a federal bonus payment to the state of \$24.6 million for 2011, federal officials announced today.

The Children’s Health Insurance Program Reauthorization Act of 2009 provides performance bonus payments that pick up a larger share of the costs for states that are particularly successful in enrolling more uninsured Medicaid-eligible children, compared to the participation level in 2007. To qualify for bonus payments, states are required to simplify the program’s application and renewal process.

“Today’s announcement could be fantastic news for families in BadgerCare, because these funds give the state a way to avoid proposed changes that would knock more than 64,000 people out of the program,” said Ken Taylor, executive director of the Wisconsin Council on Children and Families. “With this award and another of about this size in 2012, Wisconsin could close most of the funding gap in the program and can ensure that we continue to qualify for the bonus awards in future years.”

Wisconsin is one of 23 states receiving performance bonus funding this year for progress in cutting through red tape and administrative hurdles to enroll significantly more uninsured children in their Medicaid programs. A total of nearly \$300 million was awarded to the qualifying states, and Wisconsin’s \$24,541,778 bonus payment is the fourth largest.

A memo by the Legislative Fiscal Bureau (http://www.wccf.org/pdf/CHIPRA_memo_11-21-11.pdf) prepared for Rep. Cory Mason examines the question of what would happen to the anticipated bonus award in 2012 if the state proceeds with plans to implement policy changes that reduce the number of children in BadgerCare by more than 29,000. The Fiscal Bureau concluded that such changes would reduce the bonus award by an estimated \$10.3 million per year, starting in the second half of 2012.

“Wisconsin’s large bonus recognizes the tremendous progress our state has made, thanks to the leadership of lawmakers in both parties, in creating a highly successful and efficient health care program for children,” said Taylor.

This is the third year of federal performance bonus awards. Wisconsin did not qualify for a bonus in 2009, but the state made a number of changes in 2010 to improve the BadgerCare Plus renewal process and reduce red tape. Those changes, coupled with simplifications initiated in

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2008, made the state eligible for bonus payments in 2010 and 2011, and probably for each of the next two years.

“If Wisconsin doesn’t make sweeping changes that make BadgerCare inaccessible for low-wage working parents and their children, we can count on two more years of performance bonuses of roughly the same amount as this year’s award,” said Jon Peacock, WCCF’s research director.

Maryland and Virginia qualified for the two largest amounts – \$28.3 million and \$26.7 million, respectively. Wisconsin is close behind, with \$24.5 million, the 4th largest bonus payment.

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