



555 West Washington Ave, Suite 200
Madison, WI 53703

www.wccf.org
☎ 608-284-0580
✉ 608-284-0583

June 5, 2007

To: Joint Finance Committee
From: Charity Eleson, WCCF Executive Director
Re: LFB paper #383 – BadgerCare Plus

The Wisconsin Council on Children and Families urges you to support the BadgerCare Plus proposal, which would significantly decrease the number of uninsured people in Wisconsin at little cost to the state. The development of the current BadgerCare program in 1997 by Governor Thompson and the Legislature was a remarkable bipartisan achievement, and we hope that you will build on the success of that program and join together to give bi-partisan support to ensuring that Wisconsin's children and other vulnerable populations have access to health care coverage.

Health insurance for children is one of the most cost effective investments we can make in our health care system. Increasing access to preventative care saves money by avoiding more expensive treatments, and it also improves children's success in school.

Discussion of BadgerCare Plus typically focuses on the expanded eligibility for health insurance it would provide – such as providing health insurance access to nearly all children in the state, expanding coverage for pregnant women, and removing the barrier for participation by farm families and the self-employed. While those aspects are all extremely important, some of the other important aspects of BadgerCare Plus are often overlooked:

BadgerCare Plus is expected to have no net cost for the state – The elements of the BadgerCare Plus plan described in LFB paper #383 (which do not include the expansion to childless adults) are expected to have no net effect on this budget. The modest GPR cost of \$2.1 million in 2008-09 is offset by an equal level of savings in 2007-08. The cost of covering more children, pregnant women, and self-employed parents is counterbalanced by savings from streamlined administration, expanded use of managed care and broader application of co-pays.

It would supplement rather than supplant employer-sponsored coverage – A central element of BadgerCare Plus is that it is designed to fill gaps in the current system of employer-sponsored insurance, rather than supplanting that coverage. The initiative contains a number of measures that will help avoid “crowd-out” of private sector coverage, including the following:

- Individuals would generally be ineligible for BadgerCare Plus if they were insured during the previous three months, or if during the previous six months they had access to a qualified employer-sponsored plan (for which the employer pays at least 80 percent of the premium).
- The benefit package for the expanded categories of coverage (such as children in families over 200 percent of poverty) is a trimmed-down set of services, known as the benchmark plan.
- The bill significantly expands the health insurance premium payment program (HIPP) – where the state helps the family purchase the employer plan whenever that's a more cost-effective approach for the state.

It would reduce barriers to participation – A few critics of the Governor’s proposal have noted that the state needs to ensure that we serve the currently-eligible children. That is true, and a little over half of the uninsured children in Wisconsin are in families below the upper income limit. However, covering those children is a reason to support BadgerCare Plus, not a reason to oppose it, because the proposal contains measures that would help reach the large number of uninsured families who already meet eligibility standards but are deterred from BadgerCare participation by red tape. These improvements include:

- Replacing the current employer verification requirements with a less burdensome process for verifying income and health insurance status.
- Streamlining the enrollment process for children by adopting presumptive eligibility for kids below 150 percent of poverty.

It would reduce uncompensated care – By reducing the number of uninsured people in Wisconsin, BadgerCare Plus will decrease reliance on emergency rooms by low income families and will shrink the uncompensated care costs that are shifted to the insured.

It would improve access to dental care – The issue of problems with access to dental care came up at many of the Finance Committees hearings. BadgerCare Plus isn’t the final answer to that substantial problem, but it’s a good start. The Governor’s plan would use \$8.8 million (all funds) of the projected savings for initiatives to improve access to dental services, such as grants to health care clinics that bring in dentists to serve low-income families.

By adopting the Governor’s plan, Wisconsin can join a number of other states – including Illinois, Pennsylvania, Massachusetts, Hawaii and Washington State – that have acted in the last year or so to extend health insurance to all children. We urge you to take that very sensible and cost-effective step.