



555 West Washington Ave, Suite 200
Madison, WI 53703

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

For immediate release
August 5, 2010

Contact: Jon Peacock, 608-284-0580 ext. 307
Ken Taylor, 608-284-0580 ext. 302

Report Examines Role of Medicaid Fiscal Relief in Preserving Access to Health Care during the Recession

The U.S. Senate voted 61 to 39 today to pass a deficit-neutral bill that provides funding to states for Medicaid relief and education. The House may take up the bill, H.R. 1586, early next week.

A [comprehensive report](#) issued today by the Wisconsin Council on Children and Families (WCCF) examines the role that enhanced federal Medicaid cost-sharing has played in helping Wisconsin cope with a huge drop in employer-sponsored insurance during the recession.

The report analyzes BadgerCare Plus enrollment growth beginning on Oct. 1, 2008, which was the first day that the enhanced federal cost sharing for Medicaid took effect and roughly when job losses began to accelerate. During the 20-month period from that date through the end of May 2010, the WCCF analysis reveals the following:

- Wisconsin experienced a net loss of 141,100 jobs.
- Total BadgerCare Plus enrollment (including children, parents and pregnant women) also increased by 141,000, or 25 percent (not including more than 50,000 childless adults who gained coverage from the new BadgerCare Plus Core Plan – which was not directly affected by the FMAP increase).
- More than two-thirds of the increased enrollment since that date was among parents and children below the poverty level (which is \$22,050 for a family of four)
- Only 2 percent of the enrollment increase was among children and parents above 200 percent of the poverty level (\$44,100 for a family of four).

Ken Taylor, WCCF's executive director, said the increased enrollment in BadgerCare Plus over the last two years indicates why federal assistance for states is so important during a recession. "Without the enhanced federal cost-sharing for Medicaid, tens of thousands of Wisconsin families who lost jobs and their insurance during the recession probably would have been unable to enroll in BadgerCare Plus."

Taylor added that, "the federal aid has made our state healthier by enabling more families to have insurance and get the preventive care that children need to do well in school and that parents need so they are ready to return to the workforce."

Approximately 1.1 million Wisconsinites, or roughly one-fifth of all state residents, are covered by Medicaid or BadgerCare Plus. Wisconsin has received more than \$1.1 billion since October 1, 2008 from the enhanced Medicaid cost-sharing, and the state expects to receive a total of a little over \$1.4 billion by the end of 2010, when the increased federal cost-sharing is currently scheduled to end.

The bill approved by the Senate today would extend and phase out the increased cost-sharing during the first 6 months of 2011. State officials estimate that would reduce the state share of Medicaid and BadgerCare Plus spending by about \$185 million next year.

###