

For immediate release Contact:
November 1, 2011

Jon Peacock, 608-284-0580, ext. 307
Bob Jacobson, 608-284-0580, ext. 303

Proposed BadgerCare Changes Will Decrease Access to Insurance and Increase Cost Shifting

Late Monday afternoon, the Department of Health Services (DHS) formally submitted to the Joint Finance Committee a portion of its plans to cut \$554 million from Medicaid and BadgerCare spending. The committee has two weeks to review the more than 200 pages of DHS documents and decide whether it wants to hold a meeting to review the department's plans.

Ken Taylor, executive director of the Wisconsin Council on Children and Families, urged state legislators to review the proposals carefully and to reject plans that would cause more Wisconsinites to be uninsured. "State officials have said frequently that their intent is not to increase the number of people in our state who don't have health insurance, but now that we finally have more detailed proposals we can see that they will cause thousands of working parents and their children to lose their health care coverage."

Jon Peacock, the Council's research director, said the items submitted to the Finance Committee today amounted to cost shifting rather than cost savings. "Increasing the number of uninsured Wisconsinites will reduce access to preventive care, increase reliance on emergency rooms, and boost the uncompensated care costs that get shifted onto other health care consumers."

The budget repair bill and state biennial budget contain provisions giving DHS sweeping new authority to make policy changes to reduce Medicaid and BadgerCare spending. A preliminary set of proposals for achieving \$554 million of spending cuts was unveiled by DHS on September 30, and most of those items can be implemented by the department without any legislative oversight. However, the proposals that conflict with state statutes or rules must be referred to the Joint Finance Committee for review, and the documents submitted to the committee late today initiate that review process.

Taylor called on legislators to hold public hearings on the proposals. "Up until now, people enrolled in Medicaid and BadgerCare haven't had enough information to know how they would be affected. As the details begin to emerge from the hundreds of pages of documents unveiled today, the people who need this health care coverage deserve an opportunity to explain to lawmakers what the proposals will mean for their families."

The changes proposed today include the following:

- Disqualifying children and adults from BadgerCare if the individual or family has an offer of employer coverage that would cost less than 9.5 percent of household income.
- Increasing premiums for many BadgerCare participants – by more than ten-fold in some cases.
- Reducing the health care services covered for people in families above the poverty level, while significantly increasing their co-pays and deductibles.
- Making young adults (ages 19 to 26) ineligible for BadgerCare if a parent has an offer of insurance through an employer that could potentially cover the young adult, regardless of whether the parent can afford the coverage and whether the child lives anywhere near the area served by the insurer.
- Disqualifying children from BadgerCare for 12 months if their parent misses a premium payment.

###