



NEWS RELEASE

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Children's Advocacy Group Calls for Bipartisan Cooperation on Medicaid

The Wisconsin Council on Children Families called on state legislators and the Governor to work together to solve a Medicaid deficit that could approach \$400 million. According to the Legislative Fiscal Bureau the deficit results primarily from the budget bill's reliance on over \$300 million in federal funds that have not been approved by federal authorities.

Charity Eleson, the Council's executive director, expressed concern that partisan politics might be getting in the way of finding a solution to the Medicaid financing problem.

"More than 770,000 people rely on Medicaid, BadgerCare and SeniorCare for health care benefits," said Eleson. "The Medicaid-related programs are far too important for Wisconsin's residents and for the state's economy to allow the issue to become a victim of partisan political maneuvering."

The Governor has proposed closing a portion of the deficit by refinancing state debt; however, time is running out on the state's options for using that to produce savings in the current fiscal year.

"Hardly anyone would argue that refinancing is an ideal solution to the Medicaid shortfall," Eleson said; "but at this time the proposal to refinance state debt seems to be the only option anyone has offered to help close the deficit."

Eleson noted that the cuts that would be necessary in Medicaid programs will be far larger than the state shortfall, because each dollar the state spends for Medicaid matches about \$1.50 in federal funds. She added that an analysis last year by a UW-Madison applied economics professor, Steven Deller, found that cutting state Medicaid funding by 10 percent, or \$148 million (GPR) in 2002-03, would reduce wages and income in Wisconsin by about \$634 million.

"We are very concerned that the job of finding a bipartisan remedy for the Medicaid shortfall might take a back seat to a political game of casting blame for the shortfall," Eleson said. "Engaging in a finger-pointing battle over who was most at fault gets us no closer to solving the critical problem of avoiding the looming Medicaid shortfall."

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