

Is providing health insurance for more kids fiscally responsible?

You do the math.

98,000	The number of Wisconsin kids who were uninsured in 2006. ¹
93%	The percentage of uninsured Wisconsin children living in a working family. ²
0	Net cost of the BadgerCare Plus provisions to cover almost all children in the state, as well as more farmers and pregnant women. ³
\$53,600,000	The amount Wisconsin hospitals save every year because BadgerCare reduces unpaid bills for treating people without health insurance. ⁴
\$794	The amount that unpaid health care bills for the uninsured add to the annual cost of a Wisconsin family's health insurance. ⁵
\$2.36	The amount of federal match Wisconsin receives for every state dollar invested in BadgerCare coverage of children. ⁶
0	The amount of federal match for every dollar spent by Wisconsin hospitals to treat the uninsured.
\$90	The cost of a child's health insurance for an entire month, in the BadgerCare Plus Benchmark Plan. ⁷
\$21	The state share of the cost in 2007 of covering a child under BadgerCare for an entire month. ⁸
\$5,605	The average cost in Wisconsin of hospitalizing a child with asthma. ⁹
400%	The increased chance that an uninsured child will rely on an emergency room for routine care, compared to children with Medicaid coverage. ¹⁰
770%	The increased chance that an uninsured child has no usual place to get health care, compared to children with Medicaid coverage. ¹¹
370%	The increased chance of death for an uninsured Wisconsin child admitted to a hospital due to injuries, compared to insured children. ¹²

Updated January 2008

(See footnotes on the reverse side.)

Footnotes:

¹ Department of Health and Family Services, *2006 Wisconsin Health Insurance Coverage*, December 2007. The report notes that there were 98,000 Wisconsin children uninsured for all or part of the year in 2006.

² According to the 2006 Family Health Survey, close to 92,000 out of the 98,000 children who were uninsured for all or part of 2006 lived with one or more employed adults.

³ According to Legislative Fiscal Bureau budget paper #383 (June 2007), expanding coverage for children, parents, farm families and pregnant women under BadgerCare Plus is expected to have no net cost in the 2007-09 biennium. The cost of the those provisions, which expand eligibility and remove barriers to participation, is counterbalanced by savings from streamlined administration, expanded use of managed care and broader application of co-pays. There is, however, a net cost for the coverage of childless adults that would begin in 2009. According to Legislative Fiscal Bureau budget paper #374 (June 2007), this extension of coverage to an estimated 71,000 childless adults was expected to cost the state about \$7.3 million in the 2007-09 biennium (to be funded from the proposed Health Care Quality Fund). DHFS estimated that the net increase in state spending upon full implementation of the childless adult coverage would be \$41.5 million per year. However, since there was no appropriation for that phase of BadgerCare Plus in the budget bill, the department will try to find funding internally.

⁴ APS Healthcare, *The Impact of BadgerCare on Hospital Uncompensated Care in Wisconsin*, June 2006, p. 13. The total reduction in hospitals' spending for uncompensated care in Wisconsin because of BadgerCare was estimated to be \$283 million from the program's inception in 1999 through 2004. Over the last 4 years of that study, 2001 to 2004, the average annual reduction in hospitals' uncompensated care costs was \$53.6 million.

⁵ This is the average amount that uncompensated care adds to the annual cost of family health insurance policies offered by Wisconsin employers. Much of that cost is likely to be borne by the employer, but some will typically be passed on to the employee. The figure comes from *Healthy Wisconsin: Good Medicine for Wisconsin's Economy*, by Beth McCarthy and Kim Bailey, Families USA (July 2007).

⁶ This is the ratio in Wisconsin of federal to state funding for the State Children's Health Insurance Program in fiscal year 2007 (based on a federal SCHIP match rate for Wisconsin of 70.23 percent, and assuming no federal match for cost-sharing by participants).

⁷ The full, unsubsidized cost to cover a child in 2008 in the Benchmark plan is \$90.74 per month.

⁸ In 2007, when the cost of managed care coverage in BadgerCare was a little lower, the state share of the cost was roughly \$21 per month. (At this point, we are unable to compute the comparable figure for BadgerCare Plus in 2008.)

⁹ This figure represents the average cost of asthma hospitalizations in 2005 for children under 15. According to the Wisconsin Hospital Association's Inpatient Hospital Discharge Data, there were 1,642 asthma hospitalizations for children under 15 in 2005, with a total cost of \$9.24 million. The average stay was 1.9 days, and the average cost was \$5,605.

¹⁰ Among the children whose families report that their kids have a usual source of care, an uninsured child is about 5 times (400%) more likely to routinely use the emergency room for care than a child with public coverage (3.9% versus 0.8%). These stats come from the *Summary Health Statistics for U.S. Children: National Health Interview Survey, 2005*, issued by the National Center for Health Statistics in December, 2006.

¹¹ The probability that an uninsured child has no usual place to get health care is about 770% higher for uninsured children (27.8%) than children with public coverage (3.2%). See Table 12 in the 2005 National Health Interview Survey: http://www.cdc.gov/nchs/data/series/sr_10/sr10_231.pdf.

¹² Families USA, *The Great Divide: When Kids Get Sick, Insurance Matters*, (Washington, Feb. 2007).