

Wisconsin Council on Children and Families

555 W. Washington Ave., Suite 200

Madison, WI 53703

Phone (608) 284-0580

Health Care Coverage – Apr. 7 (2010 Issue # 2)

Wisconsin Budget Project – WCCF

Jon Peacock (jpeacock@wccf.org)

Please feel free to forward messages to any other interested parties, and encourage others to sign up for this and/or other WCCF mailing lists at <http://capwiz.com/wccf/mlm/signup/>.

NOTES: The Governor is announcing the creation of an Office of Health Care Reform today (see item #2). I could fill up this entire newsletter with nothing but information about the health care reform act, but because there's a lot to report on regarding other topics, I'll dedicate a future issue of this newsletter primarily to health care reform.

Note that **this Friday (at noon) is deadline for registering for WCCF's Advocacy Camp**, which is in Madison on April 14 and 15. (See item # 7)

In this issue:

1. Effects of Health Care Reform on Children
2. Breaking News: Governor Creates Office of Health Care Reform
3. Updates on Wisconsin's Childless Adult Coverage
4. Changes in Health Care Reform Act Will Bring More \$s into Wisconsin
5. Will Congress Act Soon on Extensions of FMAP and COBRA Assistance?
6. BadgerCare Plus Improvements Help Families & May Yield Federal Bonus Funds
7. Register This Week for WCCF's Advocacy Camp
8. Other Upcoming Events
9. Other Health Care Issues in the News
10. Reading Room

1. EFFECTS OF HEALTH CARE REFORM ACT ON CHILDREN

For the most part, the federal health care reform bill will be very positive for Wisconsin's children, as well as families and adults without dependent children. Although the bill isn't perfect, it generally delivers what Wisconsinites need: affordable, reliable health coverage that won't disappear if they lose a job or get sick.

The new law has many very positive effects for children's health care and also for expanding insurance coverage and generally improving its quality for childless adults. However, depending on how WI implements the bill, it might also have negative consequences for some low-income parents and childless adults -- IF the state decides to roll back BadgerCare Plus coverage for adults to 133% of the poverty level, starting in 2014.

A good [article by Jason Stein in Tuesday's Milwaukee Journal Sentinel](#) discusses the possibility that the state could shift adults between 133% and 200% of poverty from the current state program into new health insurance buying pools, called exchanges. As I noted in the article, that shift could significantly increase health care costs for those adults. In addition, many families that have access to fairly costly employer sponsored coverage could be ineligible for the new subsidies for coverage purchased through an exchange.

I'll examine the parent coverage issues in much greater depth at a later date, but want to focus now on some of the very positive parts of the new law for children, which include the following:

- Making coverage more affordable for middle class families by boosting their bargaining power through health insurance buying pools ("exchanges") and by providing tax credits to those who need extra help.
- Making it possible to continue BadgerCare Plus, which has successfully worked in partnership with Medicaid to cover more than 438,000 kids in Wisconsin.
- Extending the Children's Health Insurance Program (CHIP) through 2019, and extending funding for it by 2 years (through 2015).
- Requiring insurance companies to provide pediatrician-recommended care for children so they can grow and thrive.
- Ending insurance companies' discrimination based on pre-existing conditions. Starting right away, children who have insurance can't be denied coverage for a pre-existing condition.
- Increasing MA reimbursement rates for primary care to Medicare levels during 2013 and 2014, with the federal government covering the full cost of those rate increases.
- Making a number of important investments in children's health initiatives, such as a grant program to support school-based health centers, an oral health prevention campaign that includes school based dental sealant programs, and funding to states to develop and implement evidence-based Maternal, Infant and Early Childhood Visitation models.

A longer list of the positive effects of the new law for children can be found in a [WCCF blog](#).

2. GOVERNOR CREATES OFFICE OF HEALTH CARE REFORM

Governor Doyle is holding a couple of press conferences today to announce the creation of the Office of National Health Care Reform, which will be assigned the responsibility for implementation of national health care reform in Wisconsin. According to the Governor's office:

- DHS Secretary, Karen Timberlake and OCI Commissioner, Sean Dilweg will chair the Office and are charged with developing an implementation plan for national health care, working closely with health care stakeholders.
- The state will ensure that there's a "single access point for affordable health care coverage," so the health insurance purchasing exchange will be fully integrated with BadgerCare Plus.
- DHS will launch and regularly update a new website that will provide all Wisconsin residents with information about the new legislation, as well as a tracking of Wisconsin's planning and implementation efforts: www.healthcarereform.wisconsin.gov

I suspect that there will be a press release later today with additional information about the Governor's assignment for the new office. If so, it is likely to be posted at: <http://www.wisgov.state.wi.us/mediaroom.asp?locid=19>

3. UPDATES ON WISCONSIN'S CHILDLESS ADULT COVERAGE

There are currently about 65,000 adults without dependent children who are enrolled in the BadgerCare Plus Core Plan, and the waiting list is steadily growing. As of mid-March there were more than 32,000 people on that list.

To provide a coverage option for some of the people on that waiting list, the Governor proposed the BadgerCare Plus Basic plan, which was introduced in the legislature as [AB 697](#) in the

Assembly and [SB 484](#) in the Senate. To learn more about the details of the plan, which won't be subsidized with any state funding, see the department's [BC+ Basic website](#). An [article in the Jan 21 WI State Journal](#) describes the political debate and some of the arguments for and against BC+ Basic.

The bill was approved by a one-vote margin in the Senate in late Feb., with all the Republicans and one Democrat (Senator Vinehout) voting against it. SB 484 was recently recommended by the Assembly Committee on Health and Health Care Reform, on a party line vote. The committee unanimously recommended an amendment that would sunset BC+ Basic on Jan. 1, 2014, when states will be required by the health care reform act to extend Medicaid to all non-elderly adults below 133% of the poverty level.

The last general legislative floorperiod runs from April 13 to 22, and I think the Assembly will approve the amended bill then, and the Senate will concur in the amendment. You can find the bill history at:

<http://www.legis.state.wi.us/2009/data/SB484hst.html>

Note that item # 4 (below) relates to the increased federal aid, beginning in 2014, for coverage of childless adults, and the option of possibly speeding up the increase in federal cost sharing for those adults by amending the state's Medicaid plan.

4. CHANGES IN HEALTH CARE REFORM ACT WILL BRING MORE \$s INTO WISCONSIN

Two amendments that were included in the final version of the health care reform act will benefit Wisconsin by treating our state more equitably in the distribution of federal funding:

-- Medicare rates for hospitals - Rep. Kind and other members of the Wisconsin delegation succeeded in getting provisions into the bill to improve reimbursement rates for hospitals in WI and a number of other fairly rural states that have long been getting significantly lower Medicare rates, despite producing some of the best health outcomes. Beginning in 2013, a portion of a hospital's Medicare payment will be linked to the hospital's performance on quality measures related to common and high-cost conditions.

-- Aid for coverage of childless adults - Beginning in 2014, **all states will be required to** cover childless adults with incomes below 133% of the federal poverty level, and the federal government will pick up nearly all of the cost. The Senate bill would have been much less generous in aiding WI and the 10 other states that already offer some coverage for that population, but the final bill alleviates that inequity. In 2014 the federal government will pick up all of the cost for newly-eligible adults, and it will cover half of the current state share for already-covered childless adults with incomes below the 133% level. Those percentages will gradually change until the federal share will be 90% in all states for all childless adults below 133% of poverty.

Those two improvements for Wisconsin won't take effect until 2013 and 2014, respectively. However, a provision of the bill that took effect on April 1 could bring WI additional federal aid if the state files a Medicaid plan amendment to cover childless adults. I don't know whether DHS has begun yet to explore whether WI would be able to use that option to stretch the current state funding for the Core Plan. For more on that topic, see the [April 1 Kaiser Daily Health News](#).

[A recent WCCF blog](#) provides additional information about that option and the other two improvements described above.

5. WILL CONGRESS ACT SOON ON EXTENSIONS OF MEDICAID AND COBRA ASSISTANCE?

The American Recovery and Reinvestment Act (ARRA) included a number of important health care measures. Among those is the subsidy to help unemployed workers buy COBRA health insurance coverage from their former employer, which pays 65% of COBRA health insurance premiums for certain workers laid off after Sept. 2008. That subsidy expired at the end of March, and efforts to extend it have been blocked by some of the Senate Republicans.

An even more important health care provision of ARRA is an increase in the federal share of Medicaid spending, which has provided much needed assistance for states to maintain their Medicaid programs without necessitating debilitating cuts (though some cuts in reimbursement rates have been made). That increase in the Federal Medical Assistance Percentage (FMAP) expires at the end of 2010.

Both houses of Congress have passed bills to extend the Medicaid matching rate increase, but not in the same form. Efforts to complete the work have been complicated by the requirement for 60 votes in the Senate, the need to find offsetting revenue or cuts, and an array of competing budget priorities.

When Congress returns from a recess next week, it will turn its attention back to a long-term jobs bill. In addition to extending a number of tax cuts, this jobs bill extends the COBRA and Unemployment Insurance (UI) portions of ARRA through the end of the year, and would extend the FMAP increase for 6 months.

Many states are now working on their FY 2011 budgets and are struggling with steep drops in revenue and significantly higher Medicaid caseloads, caused by the recession. With those problems in mind, 43 Governors signed a letter to Congress supporting the FMAP extension. If it isn't approved fairly soon, many of those states will have to make deep Medicaid cuts.

A 6-month extension of FMAP would yield about \$377 million for Wisconsin. That would allow DHS to avoid making deeper cuts in Medicaid reimbursement rates, and would leave a larger balance to cushion the state budget if there is another downward estimate in state revenue. You can read more about [Wisconsin's Medicaid rate reforms and cuts](#) on the DHS website.

6. BADGERCARE PLUS IMPROVEMENTS HELP FAMILIES & MAY YIELD FEDERAL BONUS FUNDS

DHS announced a change last week that will help expedite the annual renewal process for BadgerCare Plus and may also enable WI to qualify for extra financial assistance. The CHIP Reauthorization Act (CHIPRA) makes states eligible for bonus funding if they exceed certain targets for increasing Medicaid enrollment of children, and if they meet 5 of 8 standards for improving policies relating enrollment and retention.

One of the 8 CHIPRA standards is expediting the renewal process by automatically using recent income figures or other relevant information from other state databases. WI made considerable progress toward implementing that policy earlier in the year when it began an online renewal option, and it took another step last week when the DHS issued [Operations Memo # 10-25](#). This change appears to be sufficient for WI to meet the administrative renewal standard. If so, it would be the 5th standard WI meets and should make our state eligible for at least a couple of million dollars per year of CHIPRA bonus funding.

[A new WCCF blog post](#) discusses the bonus funding and the renewal standard in more depth.

I have been regularly updating a [summary of options created by CHIPRA](#) to improve access to health care for children. The latest version, updated late last week, describes the 8 standards for qualifying for bonus funding and the status of Wisconsin's efforts to meet 5 of those standards.

7. REGISTER THIS WEEK FOR WCCF'S ADVOCACY CAMP

It's camp time again. WCCF's advocacy camp is next week - **Wed., April 14 and Thurs., April 15.**

The registration deadline for *Advocacy Camp 2010* has been extended until noon on Friday, April 9.

Spend a couple of days in downtown Madison with us! Build your advocacy skills in a fun and relaxed atmosphere, listen to dynamic guest speakers, network with other advocates and visit the Capitol. [See more information and register now.](#)

8. OTHER UPCOMING EVENTS

-- April 13 - ABC for Health presents: Medicaid Eligibility in an Era of Healthcare Reform: Coverage Expansions & Retention Strategies

When: 9:00am-4:00pm

Where: Western Regional Office, 610 Gibson Street, Room 123, Eau Claire

To Register: Call 608-261-6939 ext 210, or [download and return their registration form:](#)

-- May 12 - The first ever Wisconsin Women's Health Policy Summit

Where: The Alliant Energy Center Exhibition Hall - Madison

Why: To collectively raise the status of women's health in Wisconsin

For more information, go to: <http://www.supportwomenshealth.org/>

To register, go to: <http://wiwomenshealthpolicysummit.eventbrite.com/>

9. OTHER HEALTH CARE ISSUES IN THE NEWS

-- "[Health care reform could shift many from BadgerCare Plus to other coverage](#)" - April 6, Journal Sentinel - "Some 60,000 Wisconsin residents could be shifted in the coming years from the state's BadgerCare Plus health coverage for the poor to commercial plans, under the federal health reform law. That's just one option that Wisconsin officials will have as they work through the effects of the sweeping federal law on the state's own extensive Medicaid health programs."

-- "[Wanted: Doctors for rural clinics](#)" - Mar. 28, State Journal - "One of the biggest challenges in rural health care, experts say, is a shortage of doctors willing to give up the convenience, technology, prestige and typically higher salaries of metropolitan areas to practice in rural settings. That means rural patients can have trouble getting health care - waiting longer for primary care and traveling to large cities for specialty care."

-- [Special series on rural health](#) - The article above is part of an excellent series in the WI State Journal by health and medicine reporter David Wahlberg, who is undertaking a special reporting project this year, examining the challenges of providing health care services to rural communities.

-- "[Health-care overhaul begins now](#)" - This column by Ezra Klein in the Mar. 28 Washington Post says the hard work of health care reform is just getting started, as states begin turning their attention to various policy options, such as how to shape the new insurance purchasing pools.

-- "[Health leaders view reform bill as starting point](#)" - Mar. 26, Milwaukee Business Journal - "Milwaukee-area health care leaders are praising the landmark reform bill passed in Congress March 21 as a needed first step, but warned the legislation will not be a magic pill that cures the nation's broken health care system."

-- "[Rural hospitals may see benefit from health reform](#)" - Mar. 24, Wisconsin Radio Network - "An organization representing Wisconsin's rural hospitals is 'cautiously optimistic' the health care reform legislation signed into law Tuesday will help its members. Despite Wisconsin having a relatively high rate of insured, Rural Wisconsin Health Cooperatives says the new law will have more of an effect on rural Wisconsinites."

-- "[Local health care providers cautiously optimistic](#)" - March 23, Janesville Gazette - "Local health care providers were generally supportive Monday of health care legislation that's on its way to an eager President Barack Obama, who signed it into law today. But as expected with legislation chronicled in more than 2,000 pages, the devil's in the details, providers said."

-- "[Wisconsin ranks near bottom in disease prevention funding](#)" - March 2, Appleton Post Crescent - "Community health providers across the country are struggling to provide basic disease prevention services because of cuts in state funding and stagnant federal support, a report released Monday says. State funding for public health services in Wisconsin dropped by \$1.1 million, or nearly 2 percent, in fiscal 2009. The state spent \$10.23 per capita on those services - well below the national median of \$28.92 - and ranked 49th among the 50 states and the District of Columbia, according to an analysis by Trust for America's Health and the Robert Wood Johnson Foundation."

10. READING ROOM

-- "[Health Reform Will Reduce the Deficit](#)" - This March 25 analysis by the Center on Budget and Policy Priorities discusses the official estimate by the Congressional Budget Office (CBO) that the health care reform bill will reduce the federal deficit by \$143 billion between now and 2019. It rebuts arguments made by Rep. Paul Ryan and that the act will not reduce federal budget deficits because it relies on budgetary gimmicks.

-- "[So You Think You Know Minority Health?](#)" - Families USA has updated this interactive game show, which tests your knowledge of health disparities -- asking questions about disparities in access to health care, the social and environmental factors that affect our health, and minority health related policy and legislation.

-- "[Federal Expenditures on Pre-Kindergarteners and Kindergarteners in 2008](#)" - This recent Urban Institute report analyzes federal spending (including health care, education, etc.) for children ages 3 through 5.

-- "[Long Term Services and Supports and Chronic Care Coordination: Policy Advances Enacted by the Patient Protection and Affordable Care Act](#)" - NASHP State Health Policy Brief - April 6.

-- "[How Will Comparative Effectiveness Research Affect The Quality Of Health Care?](#)" - This Urban Institute issue brief examines the concept of comparative effectiveness research, identifies the current limited use of such information to guide benefits decisions, and the challenges ahead for the expansion of CER.

-- "[Medicaid Financial Eligibility: Primary Pathways For The Elderly And People With Disabilities](#)" - This Kaiser Commission issue brief details the various eligibility pathways by which individuals with disabilities and the elderly can qualify for Medicaid coverage.

-- "[CHIP TIPS: Children's Oral Health Benefits](#)" - Kaiser Family Foundation, March 2010

-- "[Aging Out of Medicaid: What Is the Risk of Becoming Uninsured?](#)" - Kaiser Family Foundation, March 2010

-- [New Interactive Tobacco Map Launched](#) - A new interactive map from the Robert Wood Johnson Foundation will give policy-makers and advocates a nationwide picture of continuing state efforts on key tobacco control policies. The new map uses data from the Campaign for Tobacco-Free Kids and the Americans for Non-Smokers' Rights and will be updated as new information becomes available.

-- "[Medicaid and CHIP: Enrollment, Benefits, Expenditures, and Other Characteristics of State Premium Assistance Programs](#)" - General Accounting Office (GAO-10-258R) January 19.

PLEASE SUPPORT WCCF

We need YOUR support to keep at the work we do on health care and a wide variety of other issues. You can contribute on the following portion of our website:

<https://payments.auctionpay.com/ver3/?id=w043832>
