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Health Care Coverage – Apr. 30 (2010 Issue # 3)
Wisconsin Budget Project – WCCF
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NOTES: This issue focuses primarily on the status of various health care bills considered in the closing weeks of the state legislature's 2009-10 session (items # 2-6). It also provides a brief update on the proposed extension of federal Medicaid relief and the extension of COBRA benefits (item # 1), and a compendium of resources related to health care reform (# 8).

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1. STATUS OF FEDERAL FISCAL RELIEF FOR MEDICAID (FMAP)

Congress continues to struggle over the extension of a number of provisions in the American Recovery and Reinvestment Act (ARRA), including the increase in the federal share of Medicaid spending. That increase in the Federal Medical Assistance Percentage (FMAP) expires at the end of 2010, well before state revenues and state Medicaid rolls recover from the effects of the recession.

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.

WI is one of the many states that will have to slash its MA budget if the FMAP increase is not continued. As the Center on Budget and Policy Priorities noted in a [March report](#),

failure to extend the increase would result in more drastic MA cuts, an increase in the ranks of the uninsured, and further stress for the economy.

Although both houses of Congress have approved bills to extend the FMAP increase, it hasn't been adopted in the same form. Efforts to resolve the matter continue to be stymied by the requirement for 60 votes in the Senate, the need to find offsetting revenue or cuts for some of the other parts of the jobs bill that it's attached to, and an array of competing budget priorities. It now appears that the next floor votes on the FMAP issue will come a little before Memorial Day.

Congress did vote a few weeks ago to extend the subsidy that helps unemployed workers buy **COBRA** health insurance coverage from their former employer. That subsidy pays 65% of COBRA health insurance premiums for certain workers laid off after Sept. 2008. However, the extension was just for 2 months, and Democrat leaders are continuing to try to extend that subsidy through the end of 2010.

2. LEGISLATURE APPROVES UNSUBSIDIZED "BASIC" PLAN FOR ADULTS ON WAITING LIST

On the closing day of the legislative session last week, the Assembly gave final approval to the BadgerCare Plus Basic Plan ([SB 484](#)), which provides an unsubsidized, bare bones health insurance option for low-income childless adults who are on the current BC+ Core Plan waiting list.

The Governor will sign the bill soon, and might veto one or more of the legislature's amendments. You can read a summary of the bill and the amendments in an [April 20 Legislative Council memo](#).

In a [recent blog post](#) on the WCCF website, I comment on the challenge of attracting enough relatively healthy people to keep spending for the Basic Plan within the revenue generated by the \$130 per month premium. I also suggest that regardless of whether the plan helps serve some of the people on the waiting list, policymakers should explore a somewhat different tact - the new option under the federal health care reform act to extend a benchmark Medicaid benefit to all childless adults up to 133% of the poverty level, as discussed in an [April 9 CMS letter](#) to state officials.

3. MENTAL HEALTH PARITY BILL GOES TO GOVERNOR

Another measure recently sent to the Governor is the "mental health parity" bill, [SB 362](#), which would require all group health plans that cover mental illness to provide these benefits at the same level as other types of health care. As an [article on Kenosha News.com](#) reports, the bill "scraps a \$7,000-per-year minimum treatment level that was set a quarter century ago that separated mental illness and substance abuse from other types of treatment that do not have thresholds."

The bill would narrow a gap in the federal parity law. While that law, the Wellstone-Domenici Act, only applies to companies with 50 or more workers, SB 362 requires parity in insurance plans offered by employers with 10 or more workers.

A [press release by Mental Health America of Wisconsin](#) summarizes the bill and two others approved late in the session that it says "will serve to reduce the risk and impact associated with mental and addictive disorders."

4. BENEFITS COUNSELING BILL BLOCKED IN SENATE

Wisconsin legislators don't have the power to filibuster, but they can slow down legislation, and at the end of the session a delay in considering a bill may be the death knell for that proposal. That was the case with [AB 878](#), which would have appropriated \$250,000 per year from current insurance company premium revenue in order to promote the development of Health Benefits Counseling services.

The bill cleared the Assembly on April 20 and seemed to be on a fast track, but it died in the Senate last Thursday, on the closing day of the legislative session. AB 878 was tripped up when Senator Fitzgerald (R-Juneau) objected to expedited consideration of the measure. A motion to take up the bill failed on a vote of [18-14](#), which fell short of the two-thirds majority that is needed on motions to suspend the usual procedural rules and bypass the delays that are built into the legislative process.

ABC for Health worked hard on the bill, with cooperation from DHS and the Insurance Commissioner's Office. For ABC's take on the bill's demise, see their [Apr. 28 press release](#).

A Legislative Fiscal Bureau memo describing the bill can be found at:
http://www.legis.state.wi.us/lfb/2009-11Bills/2010_04_07_SB633&AB878.pdf

5. LEGISLATURE APPROVES BONDING FOR RURAL DENTAL EDUCATION FACILITY

Another bill introduced quite late in the session garnered little GOP support, but was narrowly approved in both houses without the objection to expedited consideration that derailed the benefits counseling bill discussed above. [SB 656](#) wasn't introduced until March 29, but cleared both houses shortly before the close of the session. It authorizes \$10 million in general fund supported borrowing for the construction of a rural dental education outreach facility in Marshfield. Final approval of the bond is contingent upon the Marshfield Clinic raising half of the funding needed for the \$20 million facility, which I doubt will be a problem.

You can read more in the [Legislative Fiscal Bureau memo](#) about the bill.

6. OVERVIEW OF OTHER HEALTH CARE BILLS

Among the other noteworthy health care bills that recently cleared both houses are the following

[AB 659 \(Act 209\)](#) - HIV testing opt-out -- This bill, which was signed into law last week, promotes HIV testing by treating it like other tests, where people are tested unless they decline the test. It also strengthens patients' rights by ensuring that patients who are HIV positive cannot be denied treatment, and it strengthens privacy provisions by doubling the previous penalties for illegal disclosure of HIV test results. You can read more in this La Crosse Tribune article: "[New 'opt-out consent' law for HIV testing lauded](#)"

[AB 770](#) - Critical access hospitals -- This bill, which was recently signed into law as Act 190, authorizes DHS to impose an assessment on critical access hospitals (CAHs), generating about \$10.6 million in segregated revenue in 2010-11 and \$18.1 million in federal matching funds. That funding would be used to increase MA reimbursement rates for CAHs, provide additional funding for the provider loan assistance program, and establish a new rural physician residency program. Read more in the [LFB paper](#).

[AB 779](#) - Electronic Information Exchange -- Authorizes creation of a public-private entity to coordinate planning and implementation of a statewide health information exchange system. Read more in the [LFB paper](#).

[SB 647](#) - AIDS care coordination -- This bill directs DHS to develop a proposal to increase MA reimbursement for care coordination and other services provided by AIDS service organizations.

http://www.legis.state.wi.us/lfb/2009-11/Bills/2010_04_19_JFC_SB647.pdf

7. UPCOMING EVENTS

-- May 3 - [Safe Sleep Summit](#), City of Milwaukee Health Dept. Summit
7:30 a.m. - noon (obviously not aimed at those of us who like to oversleep)
<http://www.milwaukee.gov/safesleepsummit.htm>

-- May 12 - The first ever **Wisconsin Women's Health Policy Summit**
Where: The Alliant Energy Center Exhibition Hall - Madison
For more information, go to: <http://www.supportwomenshealth.org/>
To register, go to: <http://wiwomenshealthpolicysummit.eventbrite.com/>

8. HEALTH CARE REFORM RESOURCES

I can't keep up with all of the various analyses of the health care reform act, but here are some of the resources that I think are helpful and/or interesting:

-- [Health Care Reform Implementation Timeline](#) - Kaiser
See also the [Commonwealth Fund' timeline\(s\)](#)

-- [Website of the Wisconsin Office of Health Care Reform](#)

-- "[Alternate Health Care Bills](#)" - March 10, The Onion - In response to President Obama's call for compromise, several lawmakers concocted their own health care reform bills.

-- [The First 90 Days: A State Advocate's To-Do List](#) - This brief Families USA paper provides an overview of the provisions to be implemented in the first 90 days, including coverage for uninsured people with pre-existing conditions, grants for consumer assistance offices, and MA and CHIP maintenance of effort requirements.

-- [Center on Children and Families webpage on Implementing Health Care Reform](#)

-- [CBPP Health Care Reform Resources](#) - Recent papers on health care reform by the Center on Budget and Policy Priorities, such as [Health Reform is Good for States](#), can be found on this portion of the CBPP website.

-- [RWJ's "Health Care Reform GPS Portal"](#) - George Washington U. School of Public Health and Health Services and the Robert Wood Johnson Foundation have launched Health Reform GPS, a comprehensive Web portal that provides users the information and insights needed to cover, analyze and implement this new law. It includes regularly posted short essays that explain the changes made by the law, provide background about the act, describe the federal implementation process and timetable, and identify the questions and challenges policy-makers will be grappling with in the months ahead.

-- Council of State Government's [Federal Health Care Reform Resources](#) and [6 Ways Health Reform Will Impact States](#)

-- [MA & CHIP Provisions in the New Health Reform Law](#) -- This Kaiser brief compares the Medicaid and CHIP provisions in the new health reform law with the pre-reform law governing those programs. It focuses on financing changes; how MA and CHIP will interface with a new health insurance exchange, and other MA benefits and access changes.

-- [Health Care Opinion Leaders' Views on Health Reform](#) This Commonwealth Fund [health leaders' poll](#) finds wide support for federal health care reform. Read analysis by former Health and Human Services Secretary [Michael Leavitt](#) and former U.S. Sen. [Tom Daschle](#).

9. OTHER HEALTH CARE ISSUES IN THE NEWS

-- "[New 'opt-out consent' law for HIV testing lauded:](#)" *WI State Journal*, Apr. 26, 2010. A new Wisconsin law will make HIV testing easier and could mean earlier diagnoses, officials said.

-- "[Doyle Hails Legislature's Approval of BadgerCare Program](#)" - Apr. 22, *State Journal*

-- "[Momentum Building on Sebelius' Challenge to Insurers to Ban Rescission Before Law Takes Effect in September](#)" -Apr. 28, DHS press release - "More insurers are heeding Secretary Sebelius' call to voluntarily implement key provisions of the Affordable Care Act before the law requires them to do so."

-- "[State selects four companies to handle BadgerCare Plus patients](#)" - Apr. 13, Guy Boulton, *Journal Sentinel* - "The state has selected four companies to manage the care of 240,000 people covered by BadgerCare Plus in southeastern Wisconsin as part of an initiative that could save \$40 million a year. Winning contracts were UnitedHealthcare, Abri Health Plan, Children's Community Health Plan and Community Connect Health Plan. Managed Health Services submitted a proposal but was not selected. .. The new contracts - potentially worth tens of millions of dollars - will hold the companies to stricter standards on such quality measures as the rate of child immunizations."

-- "[Plan of last resort: Wisconsin's high-risk insurance pool could expand under Obama's health care reform plan](#)" - Apr. 10, Shawn Doherty, *Capital Times*

-- "[Health care reform could shift many from BadgerCare Plus to other coverage](#)" - Apr. 5, Jason Stein, *Journal Sentinel*

-- "[Wisconsin's wait for Social Security Disability Insurance is fourth-worst in the nation](#)" - Apr. 5, *State Journal*

-- "[Alternate Health Care Bills](#)" - March 10, *The Onion* - In response to President Obama's call for compromise, several lawmakers concocted their own health care reform bills.

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