

**Wisconsin Council on Children and Families**  
555 W. Washington Ave., Suite 200  
Madison, WI 53703  
Phone (608) 284-0580

Health Care Coverage – Sept. 17 (2009 Issue # 8)  
Wisconsin Budget Project – WCCF  
Jon Peacock ([jpeacock@wccf.org](mailto:jpeacock@wccf.org))

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NOTE: Be sure to check out the [WCCF blog](#), which contains a number of recent entries relating to health care:

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1. CENSUS DATA SHOW NATIONAL INCREASE TO 46.3 MILLION UNINSURED

Data released by the U.S Census Bureau last Thursday show that an estimated 46.3 million people were uninsured for all of 2008, an increase of about 682,000 since 2007. The poverty rate rose to 13.2 percent, its highest level since 1997. The number of people in poverty hit 39.8 million, the highest level since 1960. The data highlight the need for national health care reform and for Wisconsin to maintain its commitment to BadgerCare Plus. For more about the national trends, see the links in our [blog post](#).

The new data is from the annual Civilian Population Survey (CPS), which uses a relatively small survey sample in each state, and for that reason the Census Bureau recommends averaging two years of data for individual states. That makes it very hard at the state level to see the effects of the early stage of the recession; however, different Census Bureau data coming out on Sept. 22 should be somewhat more useful - at least with respect to seeing changes in income and poverty.

As we noted in the [WCCF press release](#), 8.9% of Wisconsin residents were uninsured in 2007-08, compared with 9.1% in 2005-06, and 7.4% at the start of the decade (2000-01). The press release also noted the following trends in WI, comparing the 2007-08 data with 2000-01:

- The number of people with employer-sponsored insurance fell by about 213,000.
- The poverty rate grew from 8.6% in 2000-01 to 10.4% in 2007-08.
- Median family income (adjusted for inflation) fell by \$3,537 - from \$55,761 to \$52,224.

Yesterday the Dept. of Health and Human Services issued a state-by-state analysis of the health insurance data. They compared the 2008 WI figures (without 2-yr averaging) with the 2001 figures, and their [WI fact sheet](#) notes that the number of uninsured in the state increase from 390,000 to 535,000, which is a 37% increase.

Next week the Census Bureau will release data from the American Community Survey (ACS), which is based on a much larger sample than the CPS, and therefore it doesn't require 2-year averages. For the first time it will include information about health insurance status - although the questions are different, so it won't be comparable to the CPS. Because of the larger sample size, it may allow us to compare coverage in different parts of the state.

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## 2. BAUCUS UNVEILS NEW HEALTH CARE REFORM PLAN - TO MIXED REVIEWS

As you no doubt know by now, Senator Max Baucus, who chairs the Senate Finance Committee, unveiled a compromise health care reform plan yesterday, aimed at getting some Republican support for the bill. Thus far, his plan hasn't garnered any GOP support, and seems to have lost the support of a few Democrats, including possibly Senator Feingold. The Finance Committee will begin marking up (amending) the bill next week.

The Center on Budget and Policy Priorities gave the plan a mixed review. On the one hand they applauded it as "a major contribution to the health care debate" and they noted that it "would extend coverage to tens of millions of uninsured Americans and improve insurance for millions of Americans who already have coverage...and do so while fully offsetting the costs, and beginning to slow the growth of health care spending." Yet they also pointed out some shortcomings, and have already prepared analyses regarding their top two concerns:

- [Subsidies Would Fall Short of What Is Needed for Many People to Afford Health Care](#)
- [Employer Requirement Would Pose Larger Problems than Previously Recognized](#)

I haven't had a chance to study the plan closely and to form a firm opinion, but I share the CBPP concern about the reduction in subsidies. The plan would require all states to provide subsidized coverage up to 133% of the poverty line, but I worry that there could be backsliding in states like WI that are already well above that standard. The new floor could broaden access for childless adults in WI (below the 133% level), who might otherwise be on a waiting list, but the state might (depending on the final policy details and financing) move people above that level into the new exchange. If so, that would significantly increase premiums and other cost sharing for many children, parents and other childless adults above 133%. We need to look more carefully at the plan and the subsequent amendments to better assess that risk.

A [McClatchy News Service article](#) on the Journal Sentinel website today quotes Sen. Feingold regarding his concerns: "My goals for health care reform include a strong public option, long-term care reform and reform of the Medicare reimbursement system that has disadvantaged Wisconsin for far too long. I am disappointed that the Finance Committee bill, as written, comes up short on all three fronts."

One of the more positive assessments I've seen today is a [Washington Post analysis](#) that says the Baucus plan maintains the "the fragile coalition of major industry leaders and interest groups central to refashioning the nation's \$2.5 trillion health-care system."

Watch the [WCCF blog](#) for updates on the bill and its potential impacts in WI.

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## 3. \$9.9 MILLION FEDERAL GRANT ALLOWS WI TO COVER MORE CHILDLESS ADULTS

Wisconsin has received a federal grant of nearly \$10 million per year that will be used to cover more adults without dependent children in the BadgerCare Plus Core Plan. According to a [press release from the Governor's office](#), the grant will last for 5 years and will be used to add more people to the Core Plan coverage for adults without dependent children.

Although enrollment of childless adults started just 2 months ago, the state has already gotten applications from more people than the funding in the budget bill will pay for. According to an [article in the State Journal](#), Secretary Timberlake recently acknowledged that DHS will soon need to cut off enrollment in the Core Plan. When that will happen is unclear, but the federal grant should push that off long enough to sign up a few thousand additional people.

The Wisconsin grant is the largest of 13 [announced on Sept. 3](#) by the U.S Dept. of Health and Human Services (HHS), under the State Health Access Program (SHAP). Funding for 5 years of SHAP grants was appropriated in the Omnibus Appropriations Act signed by the President on March 11, 2009.

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#### 4. DHS FINALIZES PLAN FOR MEDICAID SAVINGS

As I noted in the last update, the biennial budget bill directed the Dept. of Health Services (DHS) to cut hundreds of millions from the Medicaid program. DHS involved providers, managed care companies, and members of the public in an effort to identify potential savings and convened a number of meetings over the past several months to develop and revise the cost-savings changes.

On Sept. 2, DHS finalized its plan, the ForwardHealth Rate Reform Project, which will save a little more than \$200 million GPR. The revised plan doesn't save as much federal funding as the previous version, but comes extremely close to the target set in the budget bill of cutting \$205 million of state GPR dollars. (Achieving the federal savings isn't necessary, but is generally in direct proportion to the state GPR cuts.)

The new plan makes a number of changes to the previous version, which I summarized in the last edition of this newsletter. Those changes include eliminating two ER triage fees that would have saved about \$4 million (all funds), and removing medication treatment algorithms projected to save \$2.7 million. The revised plan retains the Evidence Based Health Care Initiative, but reduces the projected savings by \$7 million. On the other hand, it adds a new source of pharmacy savings - \$10 million from PDL reviews and updates - and saves \$3 million from an outpatient prospective payment system for hospitals.

A more thorough summary of the plan can be found in our new summary of the health care provisions in the biennial budget. See the next item or go directly to it at: [http://www.wccf.org/pdf/healthcare\\_budget\\_2009-11\\_090809.pdf](http://www.wccf.org/pdf/healthcare_budget_2009-11_090809.pdf)

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#### 5. WCCF SUMMARY OF HEALTH CARE ISSUES IN THE BIENNIAL BUDGET

Despite the state's very substantial deficit, lawmakers preserved the BadgerCare Plus program and the Wisconsin's momentum toward health insurance for all kids in the state. A new WCCF paper summarizes the major provisions relating to health care in the 2009-11 budget bill and looks ahead to the challenges the state will face in 2011-13.

The health care summary is one of a series of WI Budget Project papers about different aspects of the budget bill. The series also includes an overview of the budget and summaries of the tax uppers, the federal revenue from the stimulus bill, child care and early education measures, other

supports for low-income families (including W-2 and the refundable tax credits), and the structural deficit.

You can find the series of papers on the [WI Budget Project website](#) or you can go directly to the [health care summary](#).

For a far more detailed and comprehensive summary of the budget bill, see the [Legislative Fiscal Bureau's extremely comprehensive \(nearly 1,200-page\) summary](#) of the budget bill on the LFB website.

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## 6. USING CHIPRA TO IMPROVE ACCESS TO TRANSLATION SERVICES

The Children's Health Insurance Program Reauthorization Act (CHIPRA) approved by Congress early this year gives Wisconsin financial incentives and policy options for preserving and building upon the success of Badger Care Plus. In each issue of this newsletter in coming months, I hope to highlight at least one aspect of CHIPRA that can be used to help improve access to health care for children and families in WI. In this issue I focus on one of the financial incentives, an enhanced federal match rate for interpretation and translation services relating to health care coverage for children.

The new rate is 75% for children in Medicaid (and potentially slightly higher for kids covered by CHIP), and applies for translation or interpretation services needed to assist children in applying for coverage or at renewal, or to facilitate communication when care is being provided. After preliminary conversations with DHS staff and other experts, and after reviewing recent guidance from the Centers for Medicare and Medicaid Services (CMS), it appears that there are at least 4 sorts of ways that the increased federal funding for translation services can be of assistance in WI:

- to translate outreach documents;
- to help support bilingual workers who assist with applications or renewals;
- to improve communications with non-English speakers receiving fee-for-service care, such as people getting emergency Medicaid services, or women in the BadgerCare Plus Prenatal program for pregnant immigrants; and
- to provide increased federal cost-sharing for translation services provided by managed care organizations for their members.

The fourth point above, regarding managed care, was confirmed by a brief answer in a Q & A document recently released by CMS. It says that "*CMS will work with States to develop an allowable methodology to collect the information necessary to claim this higher matching rate for the eligible portion of their managed care payment rates.*"

For more on that topic and regarding other recent guidance from CMS, see our recent [blog post](#).

Other recent CHIPRA guidance from CMS can be found on their website at: <http://www.cms.hhs.gov/SMDL/SHO/list.asp#TopOfPage>

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## 7. SEBELIUS INVITES APPLICATIONS FOR COMMUNITY PREVENTION & WELLNESS INITIATIVE

The HHS Secretary, Kathleen Sebelius, announced today a funding opportunity for communities and tribes to apply for \$373 million in cooperative agreements for the comprehensive public health initiative, Communities Putting Prevention to Work, to be led by the Centers for Disease Control and Prevention (CDC).

According to the DHSS release, "Communities Putting Prevention to Work will change systems and environments-for example, improving access to healthy foods and opportunities for physical activity-and putting into place policies, such as clean-indoor-air laws, that will promote the health of populations. Funded entities will have two years to complete their work.

The \$373 million in cooperative agreements will be awarded to communities through a competitive selection process. This is the first part of \$650 million from the American Recovery and Reinvestment Act that will be used to increase physical activity, improve nutrition, decrease obesity, and decrease smoking in U.S. communities.

The application deadline for the community projects is Dec. 1, 2009. To learn more about the Communities Putting Prevention to Work public health initiative visit:

<http://www.hhs.gov/recovery/programs/cdc/chronicdisease.html>

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## 8. OTHER HEALTH CARE ISSUES IN THE NEWS

-- "[State health care program troubles county](#)" - Sept. 17, Journal Sentinel - "Milwaukee County officials Wednesday warned that a newly expanded state health care program may shortchange mental patients and overburden the county and other local care providers."

-- "[WI uninsured ranks grow 37% since 2001](#)" - Sept. 16, Milwaukee Business Journal -

-- "[Health premiums rising faster than earnings](#)" - Sept. 15, Milwaukee Business Journal - "Since 2000, health insurance premiums paid by Wisconsin employers for family and individual health coverage rose 4.6 times faster than earnings, according to a new report. The report, "Costly Coverage: Premiums Outpace Paychecks In Wisconsin," released by [Families USA](#), shows the situation is even worse for workers. For a family health insurance policy, average employees' share of premiums have increased 141 percent, or 6.9 times faster than wages."

-- "[Wisconsin doctors support health care reform](#)" - Sept. 10, BizTimes Daily - A new study published in the Wisconsin Medical Journal reports on a survey of 2,500 randomly selected Wisconsin physicians. Most (60%) of the physicians that returned a completed survey to the researchers indicated that they think the government should be responsible, to a large degree, for ensuring that all Wisconsin residents have access to high-quality and affordable health care. And 55% indicated that they support expansion of Medicaid and BadgerCare.

-- "[Obama's health care mission leaves state with unanswered questions](#)" - Sept. 9, Jason Stein, State Journal - "...Leading state programs like those in Wisconsin that aggressively cover the uninsured could see rewards - or get shut out - in whatever health care reform emerges from Congress."

-- "[Whistleblower: Here's How the Health Insurance Industry Plans to Block Reform](#)" - by Shawn Doherty for The Capital Times, Sept. 5

-- "[State Officials Trying to Balance Budget Without Cutting Health Programs for Poor](#)" - Sept. 5, Jason Stein, State Journal

-- "[State health surveyors could be knocking on your door](#)" - Sept. 2, State Journal - "Surveyors will begin knocking on doors this month to update the state's health report card. Organizers will visit approximately 1,200 randomly selected households in Wisconsin, including some in several neighborhoods in Madison. The survey includes personal interviews, body measurements, and blood and urine testing at the survey's center in Middleton. ...The program continues the work of

the Survey of the Health of Wisconsin, or SHOW, which began collecting health data in 2008. SHOW is conducted through UW-Madison's School of Medicine and Public Health."

-- "[BadgerCare Program for Childless Adults Faces Waiting List](#)" - Sept. 1, *State Journal*

-- "[A Milwaukee Clinic Fills a Need But Faces Failure](#)" - Sept. 1, NY Times

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## 9. READING ROOM

-- [New Online Tool Offers Estimates of Revenue from Taxes on Soft Drinks](#) - Many states and localities have begun to consider taxing sugar-sweetened beverages (SSBs) - including sodas, sports drinks, sweetened tea, fruit drinks and punches - in order to generate revenue, reduce consumption of unhealthy beverages and promote public health. In order to help policy-makers and the general public understand the potential revenue that could be generated by such a tax, the Yale University Rudd Center for Food Policy and Obesity has released a Revenue Calculator for Soft Drink Taxes. It can produce estimates on a state by state basis and in select major cities based on the tax amount and the type of beverage.

-- [Local School Wellness Policies: Assessing School District Strategies for Improving Children's Health, School Years 2006-07 and 2007-08](#) - This new report by the Robert Wood Johnson Foundation's Bridging the Gap program is the most comprehensive ongoing analysis of the wellness policies that schools were required to begin implementing in 2006-07. It examines the latest data on school wellness policies and identifies opportunities for Congress, states and school districts to consider for strengthening those policies.

-- [Building Medical Homes in State Medicaid and CHIP Programs](#) - Since 2006, more than 30 states have developed policies to improve Medicaid and Children's Health Insurance Programs (CHIP) to advance medical homes. A new Commonwealth Fund-supported [report](#) from the National Academy for State Health Policy summarizes the work in the states and provides state policymakers with examples of promising practices and lessons learned.

-- [Chronic Burdens: The Persistently High Out-of-Pocket Health Care Expenses Faced by Many Americans with Chronic Conditions](#) - This Commonwealth Fund report by Peter Cunningham reports that over a two-year period, 20% of nonelderly adults who had a chronic health condition spent more than 5% of their income on out-of-pocket expenses and health insurance premiums. Among people with three or more chronic conditions, almost twice as many, 39%, spent more than 5% of income for health care costs. Prescription drug spending accounted for more than half the out-of-pocket spending by those with multiple chronic conditions and with persistently high financial burdens lasting two years or more.

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## JOIN AND SUPPORT WCCF!

WCCF relies on the generosity of its members to support much of the work we do. By becoming a WCCF member or making an additional contribution, you can help us sustain our efforts on to ensure that Wisconsin has the revenue necessary for strong state and local programs serving children and families.

You can donate or become a member online at: <http://www.wccf.org/support.php> .

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