

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

Health Care Coverage – Oct. 22 (2009 Issue # 9)  
Wisconsin Budget Project – WCCF  
Jon Peacock ([jpeacock@wccf.org](mailto: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/>.

\*\*\*\*\*

NOTE: Many employers have begun their fall workplace giving campaigns, you will have an opportunity to contribute to Community Shares of Wisconsin (CSW). Those campaigns provide a great way to support WCCF and other members of CSW. See item #10.

Also, see item #2 re the Assembly hearing this Wed. (10/28) on a mental health parity bill.

In this issue:

1. DHS Begins Waiting List for Childless Adult Coverage
2. October 28 Hearing on Mental Health Parity (AB 512)
3. Implications of Expanding Access of Immigrants to BadgerCare Plus
4. How Will Health Care Reform Affect Access for Low-income WI Families?
5. Wisconsin Strengthens COBRA Benefits
6. DHS Makes Changes Aimed at Qualifying for Bonus Funds
7. WI Moves Ahead with Medical Home Initiative; & New Stats Available
8. Other Health Care Issues in the News
9. Reading Room
10. Workplace Giving Time - Support WCCF and Community Shares

-----  
**1. DHS BEGINS WAITING LIST FOR CHILDLESS ADULT COVERAGE**

As you have no doubt heard by now, Governor Doyle announced on Oct. 5 that the state would have to begin a waiting list for the BadgerCare Plus Core Plan, which serves low-income childless adults. Applications that were received after 5:00 p.m. on Friday, Oct. 9 are being put on a waiting list, but DHS has pledged that all eligible people who applied before that time and who pay their application fee within 30 days of applying will be enrolled, even though that might put the state well over the anticipated enrollment level.

Here are a few statistics about the Core Plan:

- From when DHS started taking applications on June 15, through 5:00 p.m. on Oct. 9, DHS received about 76,000 applications (though not all of them have paid an application fee yet).
- That number is on top of more than 11,000 people who were converted from GAMP to the Core Plan in January.
- As of early October, there were 33,000 childless adults enrolled in the Core Plan (including the 11,000+ who were converted from GAMP), and by my math there were roughly 50,000 applications still in the pipeline on Oct. 9 (although that could include some duplicates, as well as many people who hadn't paid the application fee).
- The approval rate has been roughly 90%.
- About 60% of the applicants have no income!

Thanks in part to a \$10 million per year federal grant that the state was recently awarded, DHS has enough funding to enroll about 54,000 childless adults. It's hard to estimate how many of the 76,000 applications will be approved, because some people have filed multiple applications and some have yet to pay their application fee. However, it's likely that enrollment will go well over the 54,000 level. If so, DHS is going to have to find cost savings in its budget, and it could be a very long time before program attrition lowers Core Plan enrollment enough to allow the department to begin taking people off the recently-initiated waiting list.

The Governor has directed DHS by early next year to come up with an unsubsidized alternative for people waiting to get into the Core Plan. (See the [WisBusiness.com article](#).) I applaud the effort, but I think it will be very difficult to design an insurance product that will be inexpensive enough for this low-income population and still have a broad enough benefit to attract many people and avoid adverse selection.

For more information about the waitlist, see the [BadgerCare Plus Core Plan Waitlist fact sheet](#) or [Waitlist Frequently Asked Questions](#).

-----

## 2. OCTOBER 28 HEARING ON MENTAL HEALTH PARITY (AB 512)

The Assembly Health & Healthcare Reform Committee has scheduled a [public hearing](#) at 11:45 a.m., Wed, Oct 28, in Room 417-N in the Capitol, on [AB 512](#) - a mental health parity bill that was introduced this week. An Oct. 9 [Associated Press article](#) briefly summarizes the bill.

When I checked late Wed., the bill hadn't been posted yet on the Legislature's website, but you should be able to find it soon at: <http://www.legis.state.wi.us/2009/data/AB-512.pdf>

The hearing will follow an *Executive Session* at 11:30 on: [AB-482](#). (Richards) - Repeals minimum markup requirements for prescription drugs.

-----

## 3. IMPLICATIONS OF EXPANDING ACCESS OF IMMIGRANTS TO BADGERCARE PLUS

DHS recently announced that it is beginning to implement the provision in the Children's Health Insurance Program Reauthorization Act (CHIPRA) that allows states to get federal matching funds for extending health insurance to certain "lawfully residing" immigrant children and pregnant immigrants. Specifically, those children and women will no longer have to reside in the U.S. for 5 years before they are eligible for subsidized coverage.

Since the Governor first proposed BadgerCare Plus, he has made it very clear that the goal was to make quality, affordable health insurance available for all Wisconsin children, to the extent allowed by federal law. Removing the 5-year bar brings Wisconsin very close to that extremely important goal. To see the DHS operations memo (# 09-57) making the change, go to: <http://dhs.wisconsin.gov/em/ops-memos/2009/pdf/09-57.pdf>

WCCF has prepared or updated several papers explaining the implications of the removal of the 5-year bar:

- [Sorting Out Which Immigrant Groups Are Eligible for BadgerCare Plus](#) - This short paper examines which immigrant groups are and aren't affected by Wisconsin's implementation of the option to allow lawfully residing immigrant children and pregnant immigrants to participate in BadgerCare Plus. It notes that there is still some uncertainty about whether the Centers for Medicare and Medicaid Services will allow certain additional categories of immigrants to be covered.
- [Improving Health Care for Pregnant Immigrants in Wisconsin](#) - Lifting the 5-year bar on eligibility for lawfully residing pregnant immigrants has the effect of moving these women

from BadgerCare Plus Prenatal to comprehensive BadgerCare Plus coverage. This paper examines the implications of that change. It also briefly examines how the new federal CHIP law may enable the state to increase the federal share of the costs it is already incurring for births by immigrants, and how that law can ensure that all women in BC+ or BC+ Prenatal have access to postpartum services.

- [Immigrants and BadgerCare Plus](#) - This one page fact sheet answers questions about the eligibility of immigrants for BadgerCare Plus and Medicaid. It was originally prepared by DHS and was updated by WCCF to reflect the expansion of coverage to certain lawfully residing immigrant children and pregnant women.

---

#### 4. HOW WILL HEALTH CARE REFORM AFFECT ACCESS FOR LOW-INCOME WI FAMILIES?

There are many aspects of all the various federal health care reform bills that would be positive for people in WI who are attempting to find or retain quality, affordable health care. But whether the final compromise will help or hurt access to health insurance for WI families is still an open question.

The Senate Finance bill would allow states facing deficits to roll back coverage for adults, beginning in 2011, and the bill could eliminate the very successful Children's Health Insurance Program (CHIP) at the end of 2013. Adults and children would probably be moved into exchanges with less generous benefit packages and substantially higher cost sharing than in BadgerCare Plus (BC+). A [Center on Budget and Policy Priorities \(CBPP\) document](#) compares the premiums in each version of the bill, and they would all require families below 200% of poverty to pay significantly more than they pay for BC+.

Child advocates thought that an amendment offered by Senator Rockefeller would improve the bill by continuing CHIP until 2019. However, a last minute change in the amendment weakened it significantly, so apparently the Senate Finance bill does not fund an extension of CHIP (despite some reports to the contrary). For more on this topic, see the [Oct 13 blog post](#) by Joan Alker of the Center for Children and Families at Georgetown U.

The Kaiser Family Foundation has updated its [side-by-side comparison](#) of the three major versions of the bill.

Here are some other excellent resources about the health care reform bills:

- Center on Budget and Policy Priorities: [Statement on the Senate Finance Committee Health Reform Plan](#) and links to four papers related to provisions in the plan.
- Community Catalyst and PICO: [Making Health Care More Affordable for Families: Priorities for Merging the Three House Bills \(Updated 10.13.09\)](#)
- Families USA: [Key Changes in the Senate Finance Committee Amended Mark](#)

Also, a [New York Times article](#) today (10/22) examines the concerns of states like NY and WI that have already significantly expanded coverage and are worried about the state share of the costs of the health care reform bill.

---

#### 5. WISCONSIN STRENGTHENS COBRA BENEFITS

The federal COBRA subsidy created by the economic stimulus bill was recently strengthened by the WI Office of the Commissioner of Insurance (OCI). On Oct. 1, OCI issued an emergency rule requiring insurers to continue group health insurance coverage for laid-off employees and their

families, even when their former employer goes out of business or otherwise discontinues group health coverage. Quoting from the OCI press release:

"Under both federal and state law a laid-off employee may elect to continue group health insurance coverage. However if the employer discontinues its business the group health insurance coverage for former employees is dropped. The federal American Recovery and Reinvestment Act of 2009 (ARRA) gave certain employees laid off before January 1, 2010 a 65% health insurance premium subsidy to help pay for 9 months of their former employer's group health insurance coverage.

"If an employer goes out of business, however, the employer's health plan also disappears, leaving families uninsured. The emergency rule issued by OCI will have the effect of allowing laid-off employees to continue to receive the 65% premium subsidy under the federal American Recovery and Reinvestment Act of 2009 (ARRA) after their employer group health insurance policy terminates. The emergency rule will be retroactive to June 30, 2009 for employer group health insurance policies that were discontinued on or after that date."

This policy change is a welcome development, but it probably won't affect a large number of people. Many who lose their jobs are unable to afford to pay 35% of the premium cost. Also, as the [OCI press release](#) noted: "The federal premium subsidy and the emergency rule are temporary measures. The federal subsidy is not available for employees laid off after the end of the year."

-----

## 6. DHS MAKES CHANGES AIMED AT QUALIFYING FOR BONUS FUNDS

As I noted in previous issues of this newsletter, the Children's Health Insurance Program Reauthorization Act (CHIPRA) created a large appropriation of performance bonus funding for states that have had significant increases in lower income kids, whose coverage is financed with Medicaid dollars rather than CHIP funds. Wisconsin could be a significant beneficiary of the bonus funding, if the state demonstrates that by Oct. 1 it met a CHIPRA requirement for having achieved 5 of 8 standards for improving enrollment and retention.

Unfortunately, we are still waiting for guidance from the Centers for Medicare and Medicaid Services (CMS) on just what states need to do to meet those standards. In the meantime, DHS issued a couple of Operations Memos in recent weeks to make modest changes in Medicaid and BC+ aimed at meeting two of the standards. Those changes are:

-- [Eliminating what was left of the asset test for kids](#) - Although BC+ never had an asset test, there was still an asset test in Medicaid in a few circumstances relating to children with disabilities or in institutions. DHS has now changed that, effective 10/1/09.

-- [Making premium assistance voluntary](#) - Another change makes premium assistance optional for families, also effective on 10/1/09. Premium assistance (aka HIP) had previously been required under certain circumstances, when it was more cost-effective for the state to subsidize employer sponsored insurance for an individual or family, rather than purchasing the regular BC+ coverage.

WCCF has updated our 4-page [policy brief](#) that summarizes the CHIPRA options and indicates their status in Wisconsin. It contains some preliminary recommendations and also identifies a number of questions that need to be answered with respect to some of the options. We have been working with the Covering Kids and Families (CKF) Policy Committee to explore the CHIPRA options and to solicit input about which items should be priorities for implementation in WI.

-----

## 7. WI MOVES AHEAD WITH MEDICAL HOMES INITIATIVE; & NEW STATS AVAILABLE

The latest issue of a quarterly report on health care issues in Wisconsin published by HealthLeaders-InterStudy had an excellent [article by Ric Gross](#) about recent developments in our state relating to the concept of patient-centered medical homes. Their reports are distributed via a subscription service, but they were kind enough to allow WCCF to post the medical homes article on the [health care publications](#) portion of our website, in order to make it publicly available. [http://wccf.org/pdf/health\\_WI\\_moves\\_ahead\\_su2009.pdf](http://wccf.org/pdf/health_WI_moves_ahead_su2009.pdf)

[New 2007 data](#) from the National Survey of Children's Health (NSCH) includes statistics on what percentage of children in each state receive health care that meets the American Academy of Pediatrics definition of a medical home. Wisconsin came in at 62.9%, which leaves a lot of room for improvement. However, that rate is above the national average (57.5%) and ranks 16<sup>th</sup> best nationally. At 54.6%, WI is tied for 4<sup>th</sup> best in the percentage of children with special health care needs who receive coordinated, ongoing comprehensive care within a medical home.

The NSCH website contains a wide range of additional state-by-state data. See the [Wisconsin Profile](#).

-----

## 8. OTHER HEALTH CARE ISSUES IN THE NEWS

-- "[Children's Dental Program Gets Boost to Help Prevent Decay](#); Seal-A-Smile Program Gets Federal Grant, Matching Dollars from Delta Dental" - Oct. 21, DHS press release - "Wisconsin Department of Health Services Secretary Karen Timberlake announces that Wisconsin's Seal-A-Smile program is receiving more than \$1.3 million in public and private funds to help provide preventive dental services for children."

-- "[Health insurance issues follow job loss](#)" - Oct. 20, WKOW - "A new study [by Families USA] lists the collateral damage of continued high unemployment rates: people losing health insurance."

-- "[Health care reform advocates to evaluate Fox Valley needs](#)" - This Oct. 19 article in the Appleton Post Crescent reports on the creation of a new HealthWatch Wisconsin coalition in the Fox Valley.

-- "[Unemployed workers differ on health care proposals](#)" - Oct 18, Journal Sentinel

-- "[A Hatchet Job So Bad It's Good](#)" - This Paul Krugman column from the Oct. 16 NY Times critiques the insurance industry's strategy in issuing an attack of the Senate Finance Committee's health care reform that, according to Krugman, "health-care experts quickly, and correctly, dismissed ...as a hatchet job."

-- "[Lawmakers Plan Bill on Mental Health Insurance](#)" - Oct. 9, *Associated Press*

-- "[Badger Care Core Plan Applications Surged Before Enrollments Were Suspended](#)" - Oct. 9, by Jason Stein, WI State Journal

-- "[Uninsured and unprepared](#)" - Oct. 16, Oshkosh Northwestern - "It's the end of the line for Judy Silverthorn and she's not quite sure what she'll do. ...The single mother's BadgerCare Plus benefits ran out after her daughter turned 19 last month. She receives no health insurance through her employer. To make matters worse Silverthorn suffers from several serious health conditions including diabetes, high blood pressure and early kidney failure."

-- "[He's in the Army now; Wife' cancer prompts man to enlist](#)" - Oct. 18, Journal Sentinel

-----

## 9. READING ROOM

-- "[Insurance at Risk: Small Business Employees Risk Losing Coverage](#)" - Secretary of Health and Human Services Kathleen Sebelius and Small Business Administration Administrator Karen Mills released a new report Tuesday that examines the health care status quo, which has left employees at risk of losing their insurance and underscores the financial difficulties small businesses face when providing health insurance to their employees. The report notes that small businesses, on average, pay 18% more than big businesses for the same health insurance policy. Employees of small businesses are 50% more likely to lose coverage than workers at large businesses. Half of workers in small firms that do not offer health benefits remain uninsured.

-- "[One-Two Punch](#)" - This new Families USA report examines the estimated effects of the recession on employment in each state and on reducing adult coverage by employer sponsored health insurance.

-- "[Recommendations to Revise School Meal Standards Released by IOM](#):" - The Institute of Medicine (IOM) released their recommendations Tuesday (Oct. 20) for new nutrition standards to make school meals more healthful in the report, *School Meals: Building Blocks for Healthy Children*. Regulations for school nutrition standards and meal requirements set by the U.S. Department of Agriculture (USDA) have not been changed since 1995. The USDA asked an IOM committee to assist in updating these regulations and making them more consistent with the Dietary Guidelines for Americans.

-- "[Variation in Insurance Coverage across Congressional Districts: New Estimates from 2008](#)" - This recent Urban Institute report examines the number of uninsured by Congressional district. One of the findings is that, "Over 55.2 percent of the congressional districts with low rates of private coverage are in the South and over 25.9 percent are in the West, whereas only 9.1 and 9.8 percent of the districts with the lower rates of private coverage are in the Northeast and Midwest, respectively."

-- "[How Will the Uninsured be Affected by Health Reform?](#)" - A four-part Urban Institute series examines how many non-elderly uninsured people could gain coverage through a health reform scenario that draws on proposals being discussed on Capitol Hill. An estimated 17 million uninsured would be eligible for coverage by expanding Medicaid to those with incomes up to 133% of the federal poverty line (FPL). Providing subsidies for individuals with incomes between 133 and 399% of the FPL would benefit another 16.3 million uninsured adults. However, under a proposal mandating individuals to obtain coverage, 4.3 million uninsured would not be eligible for Medicaid or subsidies because their incomes are at least 400% of the FPL.

-----

## 10. WORKPLACE GIVING TIME - SUPPORT WCCF & COMMUNITY SHARES

Many employers, such as the State of WI, are now holding or will soon begin their annual workplace giving campaigns. Many of those campaigns in southern WI include WCCF - under the umbrella of Community Shares of WI (CSW). Through these campaigns, CSW raises funds for its 51 member nonprofits, all working to build social and economic equity and a healthy environment.

If you value this newsletter or WCCF's other work, we need your help. Please support us and let WCCF know if this newsletter is something we should continue. Remember: that your contributions are TAX DEDUCTIBLE.

If your employer does not offer a workplace giving campaign that includes Community Shares organizations, you can donate online to WCCF from the [Community Shares website](#).

Or you can contribute directly on the following portion of our website:  
<https://payments.auctionpay.com/ver3/?id=w043832>

-----