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\$23 Million Performance Bonus Rewards Wisconsin for Cutting Red Tape to Cover Uninsured Kids

Madison, Wisconsin – Wisconsin received a \$23 million “performance bonus” today from the federal Centers for Medicare and Medicaid Services for the state’s success in improving access to health insurance for low-income children by simplifying BadgerCare enrollment and renewal procedures.

Wisconsin is one of 15 states receiving performance bonus funding this year for progress in cutting through red tape and administrative hurdles to enroll significantly more uninsured children in their Medicaid programs. A total of \$206 million was awarded to the 15 states, and Wisconsin’s \$23,076,127 bonus payment is the second largest.

“Wisconsin’s large bonus recognizes the tremendous progress Wisconsin has made, thanks to the leadership of lawmakers in both parties, in creating a highly successful and efficient health care program for children,” said Ken Taylor, executive director of the Wisconsin Council on Children and Families.

The performance bonus fund was established by Congress early in 2009 to encourage states to do a better job of enrolling lower income uninsured children already eligible for Medicaid. To be eligible a state must have a significant increase in Medicaid enrollment and must meet certain policy standards for improving enrollment and renewal processes for coverage of children.

Wisconsin did not qualify for a bonus in 2009, but the state has made a number of changes in the past year to improve the BadgerCare Plus renewal process and reduce red tape. Those changes, coupled with simplifications initiated in 2008, made the state eligible this year for a bonus payment.

Jon Peacock, the Council’s research director, noted that the federal performance bonus fund is in effect for three more years, through 2013. “If the state doesn’t restore the cumbersome procedures that used to trip up applicants, Wisconsin should be able to get substantial bonus payments for each of the next three years,” Peacock said. “Receiving three more years of bonus funding would help the state maintain BadgerCare Plus until the federal health care reform act delivers larger assistance to the states in 2014.”

For states that exceed their Medicaid enrollment targets by more than 10 percent, the bonus for each child above that level is much higher. Peacock said the higher “second tier” bonus would reduce the Wisconsin share of the cost of those children to only about 11 percent of the total increased spending in 2010, instead of the usual 40 percent.

“We’ve got to keep up the good work, because with the economic downturn continuing to hit Wisconsin families hard, people who never thought they would need these programs are turning to them to help protect their children and families,” Peacock said.

Alabama received the largest bonus payment, almost \$55 million. The other states receiving performance bonuses this year are Alaska, Colorado, Illinois, Iowa, Kansas, Louisiana, Maryland, Michigan, New Jersey, New Mexico, Ohio, Oregon and Washington.”

Enrollment of children in BadgerCare and Medicaid has grown by more than 145,000 children since BadgerCare Plus was implemented in February 2008. According to CMS, the state qualified for bonus funding because the number of lower income, Medicaid-financed children served by BadgerCare Plus surpassed the state’s baseline enrollment target by 85,557.

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