

A Work in Progress: Our Growing List of Questions about the Proposed Changes to BadgerCare

On September 30, 2011, the Department of Health Services (DHS) outlined numerous proposals for changes to Medicaid and BadgerCare. After waiting about 7 months to learn the Walker Administration's plans, we now have a better idea of how DHS plans to cut \$554 million from these programs. However, the department's plans appear to be a work in progress because the summary documents leave scores of questions unanswered – making it difficult for people to comment on the plans. The following is a list of some of the significant questions relating to the proposed BadgerCare changes, with an emphasis on the proposals that require a federal waiver. Like the DHS plans, the following list of our key questions is also a work in progress.

A. Proposals requiring Maintenance of Effort (MOE) waivers

Restricting Eligibility for People with Access to Private Coverage (if that coverage costs less than 9.5% of family income)

- At what income level does this restriction apply to parents and to children?
- How many children and parents does the department expect will lose their BadgerCare coverage because of this change?
- Will this requirement also be applied to pregnant women?
- For a family, will the 9.5% standard be determined based on the cost of an employer's family plan, or the cost of an individual plan?
- Is it based solely on the employee's share of premiums, or also on other cost-sharing (such as co-pays)?
- In addition to employer-sponsored coverage, what other types of coverage does the 9.5% standard apply to, and what's the minimum threshold for the quality of a plan?
- Will the proposed changes affect the current spend-down policy (which provides BadgerCare eligibility for children with high medical costs that reduce the family income to less than 150% of FPL)?
- Will the crowd-out policy change apply to a grandparent who is a child's primary caretaker, and therefore is now eligible for Medicaid, if the grandparent is enrolled in or has access to Medicare? Will it affect other "dual eligibles"?

Ending Transitional Medicaid (TMA)

- Will this change adversely affect people who have temporary increases in their income?
- How many people will be affected, and how many of those are expected to lose their BadgerCare eligibility? How many of those are children?

Broadening Definition of Family Unit

- The proposal counts the income of other adults in the household, even if they are unrelated to the program participant and ineligible for coverage. Will it also count them in the family size (to reflect that some or all of their income is needed for the household's higher costs)? (What about unmarried adults living together, each with their own kids?)

- How many people does DHS estimate will lose eligibility because of this change?
- In light of court cases relating to how the family unit is defined for purposes of determining household size, could CMS allow this change (even if Congress repealed the MOE requirements)?
- Will the new family unit definition and income calculation be consistent with the income definition used in the Affordable Care Act and the proposed ACA regulations?
- Is it possible to make the same change in family composition for purposes of determining eligibility for other programs handled through the CARES system? If not, how much additional work does that cause for caseworkers, and what are the implications for the creation of an online portal in 2014 that coordinates Medicaid, exchange eligibility and other public benefits?

Increasing Premiums

- Does the department intend to increase premiums to 5% for all families, including families that only need child coverage (if, for example, the parent has coverage through an employer plan that costs less than 9.5% of household income, but which doesn't cover children).
- Is it the department's intent to also establish a 5% premium for the BadgerCare Plus Core Plan? If so, does that require a Core Plan waiver, in addition to a waiver of MOE requirements?
- Will there continue to be a cap that prevents the 5% premium from exceeding the average cost of the coverage? (This is probably only relevant for child-only coverage for families well above the 200% of poverty level.)

12-Month Suspension of Eligibility for Failing to Pay a Premium

- Are there any good cause exceptions?
- How many parents were suspended in 2010? If the current 6-month suspension had applied then to children between 150% and 200% of poverty (rather than just to their parents), how many children would have lost coverage?

Ending Retroactive Eligibility

- If this change had taken effect at the beginning of 2010, how many people would have been affected and what would have been the total (all funds) savings?

Ending Presumptive Eligibility

- Would this change apply to pregnant women, as well as children?
- Will it apply to kids being enrolled in the Katie Beckett program?
- If this change had been in effect in 2010, how many people would have been affected and how much would the state have saved (in up front savings – without accounting for potential costs of poorer birth outcomes from delays in the initiation of prenatal care)?

Requiring Documentation of State Residency

- What sort of documentation or verification will be required?
- How will this be handled for homeless people?
- How will this affect on-line enrollment now and when the new online portal is initiated in 2014? Will people have to fax in some sort of document verifying their residency?
- What will this requirement mean for the department's goal of achieving "real-time" eligibility determinations?

- Will people who enroll for benefits through ACCESS be able to initiate their Food Share benefits during the period while DHS is waiting to get a fax or other documentation of their residency?
- Has the department estimated how much this will increase the number of county and state (or private) workers needed in the income maintenance system?

Restricting Eligibility of Young Adults

- Under what circumstances will this apply? For all young adults, or does there have to be some sort of determination that a parent has coverage that is subject to the federal law allowing parents to include adult children in their family coverage?
- Does it apply if a young adult's parents live outside Wisconsin or in a different part of Wisconsin – when the child isn't within the service area of a parent's managed care plan?
- Will it apply to employed parents that have offers of a family plan, regardless of whether they currently participate in that plan, and regardless of their income (and capacity to afford the coverage)?
- Does it apply to an adjudicated parent who never had custody or any relationship with the child?
- Does it apply to step-parents who may have helped raise the child?
- Will this change be sunsetted if all of the Affordable Care Act is found unconstitutional?
- Will this apply to family planning waiver services? How about Medicaid eligibility for young adults with disabilities?
- How will this requirement affect the online enrollment system and the department's goal of achieving "real-time" eligibility determinations?

Speeding up Eligibility Terminations

- When will the cut-off of eligibility occur (only at the end of a month, semi-monthly, at the end of a week, or on whatever date DHS determines the person doesn't meet eligibility standards)?
- If terminations occur before the end of the month (when, for example, someone gets a raise), will the department send the family a refund of part of their premium?
- Will eligibility be terminated even if the enrollee contests the accuracy of the information the department is relying on and requests a fair hearing?
- How many people does DHS expect this change to affect, and how much is it expected to save?

B. Proposals that don't require MOE waivers

Alternate Benchmark Plan

- Will there be one plan (full Medicaid benefits) for everyone under the poverty level and a different plan for everyone over the poverty level?
- How will the new "alternate" Benchmark Plan compare to the current Benchmark plan?
- What will the new co-pays be, and how will they be capped?
- Are co-pays and deductibles capped at 5% of income? If so, is that on top of the premiums of up to 5% of income?