



WISCONSIN'S BOLD MEDICAID REFORMS

With states across the country continuing to debate whether to accept the temporary financial incentives of a federal expansion of Medicaid under Obamacare, Wisconsin's reforms stand as a clear example of state-based reform providing better solutions than the federal government ever could. Rather than take federal money that leaves the state of Wisconsin -- and its taxpayers -- on the hook for future obligations as federal support could decrease, Wisconsin developed its own unique approach and "...our reforms allowed us to cover everyone living in poverty under Medicaid..."¹ Study of this approach is instructive for any state-level policymaker considering Medicaid expansion.

WISCONSIN'S STATE-BASED REFORM

In December of 2013, Wisconsin's Department of Health Services (DHS) first sought approval for Wisconsin's BadgerCare Reform Demonstration Project, which became effective on January 1, 2014.² This waiver allowed "...Wisconsin to provide the Medicaid standard benefit plan to adults without dependent children who have household incomes up to 100 percent of the federal poverty level..."² While other states debated full Medicaid expansion under the Affordable Care Act, Wisconsin chose bold and innovative Medicaid reforms, as DHS previously noted,

"...With an innovative approach to Medicaid reform to address the specific needs of Wisconsin, residents at all income levels have access to health care coverage either through employer-sponsored or private insurance, a public assistance program, or the health insurance marketplace. As a result of this reform, everyone living in poverty in Wisconsin has access to health care services providing full benefits for the first time in history..."²

Governor Scott Walker also decided to propose innovative Medicaid reforms in his 2015-17 Budget.² During his Budget Address, Governor Walker highlighted important statistics of these reforms:

"...In this budget, we put more than \$600 million into Medicaid to provide health care for needy families, children, and seniors. Through our bold reforms, among the states that did not take the Obamacare expansion, we are the only state in the nation without a gap in coverage, according to the respected Kaiser Family Foundation..."³

As a result of 2015 Wisconsin Act 55, the 2015-17 Budget, on June 7, 2017, Wisconsin's Medicaid Director submitted Wisconsin's Section 1115 Demonstration Waiver Amendment application for the BadgerCare Reform Demonstration Project.² These reforms remained consistent with Governor Walker's goals to "transition people from government dependence to true independence."⁴

RESULTS OF WISCONSIN'S SOLUTION

On October 31, 2018, CMS announced that it had approved “Wisconsin’s request to amend and extend the BadgerCare Medicaid reform demonstration for the next five years.”⁵ As noted by CMS, “...this important program will continue to provide health coverage to more than 178,000 childless adults with incomes below the poverty level, while allowing the state to make a number of locally designed enhancements to strengthen the program...”⁵

In CMS’s approval, Wisconsin was allowed to:⁵

- Implement the new Health Risk Assessment (HRA) program “to help the state better identify and support high risk beneficiaries.”
- Join only 16 other states that “receive[d] approval to use federal Medicaid funding to finance a more complete continuum of care for individuals combating substance use disorders, a critical step to help address the ongoing national opioid crisis.”
- Become only the fourth state “...to operate a community engagement program to help incentivize working-age adult beneficiaries to participate in activities like job training and employment...”

Specifically, the policy changes included:⁶

- Small monthly premiums for a household, which could be even lower “depending on income and healthy behaviors.”
- A requirement for members “to submit a health risk assessment which provides information on their health and wellness, including any drug use.”
- “Full coverage of residential treatment for substance use disorder.”
- The opportunity to reduce a member’s premium by supporting healthy choices.
- If a member chooses to go to the emergency room for non-emergency uses, then they might be charged a copayment.
- “For those childless adults between the ages of 19 and 49 who do not meet an exemption, eligibility for benefits is limited to 48 months.”

UNIQUE NATURE OF WISCONSIN'S SOLUTION

During Governor Walker’s time in office, Wisconsin saw several Medicaid reforms that stand out amongst other states that have chosen full expansion under the Affordable Care Act or states currently debating this matter. Wisconsin decided to provide an innovative solution and make bold reforms. Governor Walker may have said it best when he said,

“...our mindset in Wisconsin is a sharp contrast to the views of many in Washington. While some measure compassion by how many programs the government can provide to those in need, we measure true compassion by helping people no longer require the assistance of the government...”⁴

Wisconsin stands as a unique example of how state-based solutions can provide better results than dependence on the federal government. Among the 50 states that have looked at ACA-related Medicaid expansion, 14 states have chosen to not expand Medicaid, 3 states have chosen expansion following a ballot initiative but have not yet implemented this expansion, 8 states are “currently implementing expansion through a CMS Section 1115 Waiver,” and 26 states have currently expanded Medicaid.⁷ Wisconsin’s approach is unique because Wisconsin chose innovative reforms “that allowed us to cover everyone living in poverty under Medicaid...”¹ while fully rejecting a potentially ruinous fiscal proposition from Washington D.C.

IN THE NEWS

[NPR - Wisconsin Chooses Its Own Path To Overhaul Medicaid](#)

“... ‘It’s part of overall reform,’ Walker said in February when he announced the state’s plan. The goal, he said, ‘is to get more people out into the workplace, more people covered when it comes to health care and fewer people dependent on the government, not because we’ve kicked them out, but we’ve empowered them to take control of their own destiny...’”

[U.S. News - Medicaid Expansion Comes Home to Roost: States that embraced ‘free’ Medicaid money are scrambling to stave off financial disaster](#)

“...States either didn’t care, didn’t have the political will to resist the ‘free’ money or assumed that when the moment came, the federal government would come to the rescue – bad bets all around. Now states as diverse as Kentucky, Massachusetts, New Hampshire and Arkansas are trying to figure out how to keep health care spending from being the only function of state government they can afford...”

Endnotes

1 <https://www.c-span.org/video/?423156-1/wisconsin-state-state-address>

2 <https://www.dhs.wisconsin.gov/badgercareplus/clawwaiver-finalapp.pdf>

3 <http://archive.jsonline.com/news/statepolitics/290722721.html/>

4 <https://www.usatoday.com/story/opinion/2013/02/27/entitlement-reform-independence-walker/1946317/>

5 <https://www.cms.gov/blog/cms-approves-innovative-wisconsin-plan-improve-health-and-lift-individuals-poverty>

6 <https://content.govdelivery.com/accounts/WIDHS/bulletins/2050098>

7 <http://www.ncsl.org/research/health/affordable-care-act-expansion.aspx>