



## Reaching the Finish Line:

# A Primer for Health Care Advocates Using Wisconsin's Experience

This is the Executive Summary Report.  
A full version of the report can be found at  
<http://www.ckfwi.org/2policyed.html>.



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# Executive Summary



Thanks to the leadership of Governors Tommy Thompson and Jim Doyle and to legislators of both parties, Wisconsin is known nationally for being a leader in redesigning its public health-care programs and for having one of the highest rates of insurance coverage. Even though the recession has been especially hard on the Great Lakes states<sup>1</sup>, Wisconsin's insurance rate in 2009 was the seventh highest nationally.<sup>2</sup>

This report examines the history of Wisconsin's family coverage program, known as BadgerCare+ (BC+), the effects of Wisconsin's reforms, and the key lessons for policymakers and advocates.

BadgerCare was initiated in 1999 and the data since that time show that it has significantly reduced the number of uninsured children in Wisconsin, although those gains have been slowed by the recession. As the share of Wisconsinites with employer-sponsored insurance fell by 2.9 percentage points in 2009, BC+ picked up most of the slack, to a greater extent than the public coverage increase at the national level.<sup>3</sup>

By filling in for the decline in employer coverage, BC+ has aided providers by holding down growth in the cost of uncompensated care, which is often passed along to other health-care consumers.

From the expansion to BC+ in February 2008 through October 2010, Wisconsin increased enrollment of children by nearly 145,000, or 47 percent. Parent coverage has risen more than 91,000 (58%) during the same time period and, in 2009, the state initiated a program now serving about 50,000 childless adults.

The Wisconsin changes have been effective in improving access to insurance among low-income families. Despite the expansion of eligibility for children, only three percent

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of kids enrolled are above 200 percent of the poverty level, and they account for only about 10 percent of the BC+ growth since the eligibility expansion.<sup>4</sup>

The federal health-care-reform act will result in a new system that resembles the Wisconsin reforms in many respects. Yet it also gives states considerable discretion. This report reviews 16 lessons learned in Wisconsin that can be instructive for advocates and policymakers as states contemplate the choices they will have to make over the next several years. The following lessons are likely to be particularly relevant in Wisconsin and other states:

1. Most uninsured people in low-income households and most uninsured children are eligible for Medicaid or CHIP-funded coverage. Even though the BC+ program has done a tremendous job in enrolling low-income children and parents, they still account for most of the uninsured. In Wisconsin, as at the national level, 57 percent of the uninsured have incomes below 200 percent of the poverty level.

2. Streamlining applications and removing obstacles are critical for improving enrollment of low-income families. Wisconsin has succeeded in removing red tape that often deterred eligible low-income families from enrolling in BadgerCare, including the elimination of a verification requirement imposed in 2004 that caused a 22 percent drop in participation, with no appreciable increase in the number of people found to be ineligible.

3. Increased cost-sharing can have unanticipated consequences because low-income families are very sensitive to cost increases. Wisconsin learned that lesson in 2004, when there was a much greater-than-expected drop in participation after premiums were increased to five percent

of income for families over 150 percent of the poverty level. Low-income families who have to choose between paying premiums and other family expenses may increase public costs because they no longer seek preventive care and rely on costly emergency care.

4. An online application system can be an important portal to health insurance and other public benefits for many families. In 2006, Wisconsin began an online system known as ACCESS, which has become an important part of the state's application and renewal system for public benefits. Use of the ACCESS system has been growing steadily, and it now accounts for almost three-fifths of applications.

5. Outstationed eligibility workers can play an important role in improving enrollment. Since the initiation of BC+ in 2008, the Department of Health Services



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(DHS) has greatly expanded the use of outstationed workers assisting with enrollment. There are about 200 community partners across the state, which have collectively processed more than 16,000 applications.

6. States need to improve the renewal process, not just enrollment. States often focus their efforts on improving enrollment processes. Although that is important, it is just part of the job of increasing participation among eligible families. BC+ has significantly reduced the exit rate, but that rate was still about two percent per month in 2009. Wisconsin has begun taking further steps to improve the renewal process and reduce program churning.

7. Family-based coverage is an effective strategy for covering children. Wisconsin has had family-focused coverage since 1999, and a number of studies have found it to be an effective way of improving enrollment



and retention of children. For example, a study by Benjamin Sommers of Harvard found that children enrolled in Medicaid or CHIP were 38 percent to 76 percent more likely to retain coverage when their parents also were covered.

8. Automatic enrollment or renewal procedures can be effective in increasing program participation. Shortly before the outset of BC+, the state used its computer system to determine the eligibility of people already in the state database. By running a database program, 44,000 people were added to the rolls of those who would be covered by BC+. More recently, the state has begun taking steps to automate its renewal

system by making greater use of pertinent information already in the state database.

9. Integrating public benefit applications improves enrollment. Wisconsin has created an integrated enrollment system for a number of public benefits, including BC+, FoodShare and childcare subsidies, a strategy that has been effective in improving program participation. Even though most uninsured children are in low-income families, only 2.7 percent of Wisconsin children who received food stamps were uninsured in 2008. Kids on food stamps comprised just 7.5 percent of Wisconsin's uninsured children, which was the fourth lowest percentage among all states.

10. Improving access to insurance is extremely important, but access to the full range of health-care services, such as dental care, also requires the attention of policymakers. One limitation of BC+ is that many enrollees are unable to find a dentist who accepts Medicaid participants. The state needs to increase reimbursement rates for dentists and use health-care-reform funding to continue expanding dental access through community clinics.

11. Health-care provider taxes are sometimes embraced by providers and can be used to expand or preserve coverage, as well as increase reimbursement rates. With the support of the Wisconsin Hospital Association, the legislature approved a hospital tax in 2009 that is being used to increase Medicaid reimbursement rates, protect BadgerCare+, and extend coverage for the first time to adults without dependent children.