



covering kids & families

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Wisconsin

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The budget, prenatal care and a new plan to provide insurance for all, oh my

As we go to print, the state budget has moved from the Jt. Finance Committee (JFC), through the Assembly and sits with an uncertain fate in the State Senate. The news for Family Medicaid was largely good as the programs suffered no major funding shortfalls, benefit reductions, or enrollment limitations. The full funding for BadgerCare and other programs, however, has been described by the governor as coming at the expense of adequate increases in funding for school aids.

Three state senators have said they will vote against the budget unless more cuts, overall, are made; the governor has also threatened to veto the entire budget unless school aids increase to a level closer to his original budget proposal.

In sum, things look good at the moment for Family Medicaid, but we remain several keys steps away from knowing anything for sure. For now:

- Funding is provided for BadgerCare and Medicaid in general.
- The JFC version of the budget bill would raise co-pays to \$3 (from \$1) for generic drugs provided under Medicaid or BadgerCare. Savings from the co-pay amendment are modest, but for families, the increase can mean real money.
- Prenatal care for immigrant women survived the JFC and Assembly budget deliberations (see more below).

[The Wisconsin Council on Children and Families has produced a two-page summary](#) that focuses primarily on the setbacks for children and families in the budget, as it emerged from the Finance Committee.

Expanded prenatal care remains in budget

From the Legislative Fiscal Bureau (LFB) paper on the proposal: "Prenatal care is widely acknowledged to be the most cost-effective way to improve pregnancy outcomes...Prenatal care can be especially beneficial for undocumented immigrant women because most of these women live in poverty, are uninsured, and have a number of risk factors for poor birth outcomes...Studies show that a dollar spent on prenatal care can yield between \$1.70 and \$3.38 in [future] savings."

Expansion of prenatal care coverage through BadgerCare is a win win win for taxpayers, pregnant women and their fetuses. CKF raised this as an issue to explore more than a year ago. It became part of the Governor's Kids First Agenda and, so far, remains in the state budget.

Bipartisan health care reform plan proposed

The "Wisconsin Health Plan" was recently unveiled with the bipartisan support of Rep. Curt Gielow (R-Mequon), chair of the Assembly Committee on Medicaid Reform, and Rep. Jon Richards (D-Milwaukee).

The health reform initiative, developed by David Riemer and Lisa Ellinger of the Wisconsin Health Project, "seeks to address Wisconsin's 'triple crisis' in health care: the skyrocketing cost of health care, increasing numbers of uninsured, and the ever-present deficit in the state's Medicaid program."

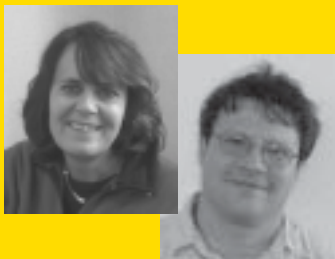
More on the proposal can be found at the Wheeler Report:

- Wisconsin Health Plan the [concept paper](#)
- [Op-ed by Gielow and Richards](#)

(Thanks for most of this text goes to Jon Peacock, of CKF-WI partner [Wisconsin Council on Children and Families](#))

Co-chair Corner:

Kathy Kaelin & Andy Heidt
CKF-WI co-chairs



Back to School 2005 is fast approaching. Last year's campaign was a great success and we're looking forward to all of your involvement again this year.

Back to School time is excellent for reaching families because the income requirements for BadgerCare are the same as those for Free/Reduced Price Lunch (FRPL), the program is well known to parents and it has an established enrollment effort through the schools.

There are many ways to get involved without straining your already-packed day and in ways that have a real impact. If you are interested in planning a local event, distributing BadgerCare information, fliers, stickers etc., or would like more information on other ways to help, contact Michael Jacob at mbjacob@wisc.edu or 608-261-1455.

Wal-Mart's falling prices make BadgerCare rolls rise

Recent data released by the Department of Health and Family Services found that the top ten employers with the most employees enrolled in BadgerCare currently cost the state about \$6.4 million a year. Wal-Mart alone accounts for \$2.7 million (see table compiled by the Milwaukee Journal Sentinel).

BadgerCare was originally created to supplement the Medicaid program and assist working families who could not pay for health insurance coverage or to offset the difference in what employer benefit packages did not cover. However, employers such as Wal-Mart, who do not cover the health insurance of about half of its employees, are cost-shifting health insurance coverage onto Wisconsin's Medicaid program, which is in a financial crisis. Over the next two years, Wisconsin's Medicaid program, which includes BadgerCare, will experience a \$650 million budget gap.

Senator Hansen (D-Green Bay) and Representative Berceau (D-Madison) have drafted separate bills to respond to this concern. The legislation would require large companies such as Wal-Mart to become more responsible for their employees' benefits.

Rep. Berceau's proposal addresses concerns that companies allocate insufficient funds toward health care, have low wages, and hire too many employees as only part-time. The establishments targeted in the bill would fall under very particular criteria: companies grossing greater than \$20 million per year who use

less than 10% of payroll for employee health care, and where either full-time workers start below \$22,000/year, or more than 20% of the work force is part-time. Company locations falling under this definition would be required to pay a 1-2% tax to the state that would then be allocated directly to the Medical Assistance trust fund. Companies would also have the option of changing their business practices and increasing the wages and health benefits of their employees in order to forgo the tax.

BADGERCARE: TOP USERS
The top 10 employers of participants in the BadgerCare health insurance program cost the state a projected \$6.4 million a year because many employees don't have access to employer-sponsored health insurance.

THE TOP 10 EMPLOYERS OF BADGERCARE RECIPIENTS

EMPLOYERS	TOTAL EMPLOYEES ENROLLED IN BADGERCARE (W/APRIL)	EMPLOYEES AND DEPENDENTS ENROLLED (W/APRIL)	PROJECTED ANNUALIZED COST
1 Wal-Mart	809	1,252	\$2,734,368
2 Aurora	187	321	701,064
3 Menard	126	217	473,928
4 McDonald's	131	200	436,800
5 Manpower	127	181	395,304
6 Lands' End	100	179	390,936
7 Kmart	102	164	358,176
8 Walgreen	101	146	318,864
9 APAC	96	139	303,576
10 Target	80	120	262,080
Total	1,858	2,919	6,375,096

Source: State Department of Health and Family Services

RIKA KANAOKA
kanaoka@journal-sentinel.com

Less is known about Sen. Hansen's bill. However, similar to Rep. Berceau's proposal, it would focus only on large companies and require a certain baseline percentage contribution of payroll towards employees' health care coverage. If the contribution is not met, companies would be expected to reimburse the state for Medicaid costs.

Other areas of the country have faced similar issues and responded with legislative action. A Maryland bill, which is similar to Sen. Hansen's proposal, was passed by the State Legislature in April but vetoed by the governor last month. The New York City Council has created a local law, which would require employers to contribute to their employees' health insurance costs or pay a fine to the city. The law has wide support from businesses, labor groups and public health leaders.

The stories on Walmart and other large corporations with narrow employee health care coverage has stirred public objection. It appears however that public sentiment towards BadgerCare and Medicaid remains strong and most recognize the benefits these programs provide.

We will keep you posted as the debate in the legislature and among Wisconsin's citizens progresses.

Free health care? Milwaukee hospitals introduce free and reduced rates

As it became clear some hospitals have been charging uninsured patients up to two and three times as much as their insured patients, national outrage, congressional hearings, and class-action lawsuits followed. Here, the Wisconsin Hospital Association has recommended that member hospitals reconsider their rates.

Three hospital systems in the Milwaukee area – Covenant, ProHealth and Columbia St. Mary's – have altered their policies or simplified the process for patients to access free and reduced price health care.

Both ProHealth and Columbia St. Mary's provide automatic discounts of 15% and 20%, respectively, to uninsured patients. These systems have also added

incentive discounts to pay bills in a timely manner, such as an additional 20% discount if the bill is paid within 30 days at St. Mary's and interest-free payments for five years at ProHealth.



Aurora and Froedtert & Community Health already had generous guidelines and are two of the leading providers in the Milwaukee area for low-income families, but even Aurora made changes to simplify charitable care. Aurora printed brochures in English, Spanish and Hmong to clearly explain eligibility guidelines for discounted rates.

While little has been made of these changes (hospitals were interested in avoiding exposure of their old practices), the results are positive for uninsured patients in the Milwaukee area.