Health Care
2017-2018 Legislative Summary

The Wisconsin State Legislature considered a very wide range of bills relating to health care during the 2017-2018 legislative session. This overview summarizes a small but significant portion of that legislation, specifically bills related to access to health insurance and access to health care services.

Legislation Relating to the Affordable Care Act

Legislators introduced a number of bills relating to the Affordable Care Act (ACA), including the following:

- **Reinsurance for Marketplace insurance plans** – Late in the session the Governor introduced and the legislature approved a bill intended to stabilize the ACA Marketplace through a reinsurance program. Senate Bill 770, which became 2017 Wisconsin Act 138, will pay 80% of claims between $50,000 and $250,000, starting in 2019. It is expected to cost $200 million per year, including $50 million of state funding. Although reinsurance is a promising strategy for slowing the growth of premiums, advocates had mixed sentiments about the bill because state lawmakers have suggested that the state funding will come from Medicaid savings, and because the bill fails to require that savings for insurers will be used to help consumers. Also, other state and federal actions are destabilizing the Marketplace and driving up premiums.

- **Coverage of preexisting conditions** – The Governor also announced late in the session that he was endorsing an Assembly-passed bill, Assembly Bill 365, which would purportedly provide some degree of assurance that there will be coverage of preexisting conditions in Wisconsin if the ACA is repealed. Despite Walker's endorsement, the Senate did not take up the bill. Advocates were unenthusiastic about the Assembly version of the bill because it wouldn't apply to most employer-sponsored insurance plans, and it would fail to replicate most of the key provisions of the ACA (such as banning annual and lifetime limits) that ensure coverage of preexisting conditions.

- **BadgerCare expansion** – Assembly Bill 721 is the bill introduced by Democrats that would take advantage of an ACA provision that provides federal funding for 90% of the cost of insurance for childless adults in states that expand eligibility to all adults below 138% of the poverty level. According to the Legislative Fiscal Bureau, the bill would cover about 79,000 adults, but would yield a net savings for the state of nearly $190 million per year. Republican legislators continue

to oppose the bill, and it never even got a public hearing. Another bill, AB 449, which would expand BadgerCare by allowing people to purchase it as an option within the ACA Marketplace, also died without receiving a public hearing.

- **Self-funded employer group health benefits** – Assembly Bill 920 was introduced by Republicans and would allow groups of employers to come together and offer their employees a limited set of health benefits. These plans would not be considered health insurance, and would not be required to cover essential health benefits. It would also cap benefits at $50,000 per employee per year. Providers, advocates, and others were concerned plans like this would siphon younger, healthier people off of the Marketplace and increase premiums for those who need comprehensive health insurance. The bill passed the Assembly, but it did not pass the Senate.

Special Session Bills Changing BadgerCare

The legislature approved a couple of significant changes to BadgerCare during a January 2018 Special Session called by the Governor to make broad-ranging changes to public assistance programs. The nine bills that were adopted during that session include two that are likely to reduce participation in BadgerCare:

- **Child support compliance** – Special Session Bill 8 will require child support compliance in the Medical Assistance program. Many noncustodial parents who are below the poverty line have large child support arrearages that they are simply unable to pay. This bill will exacerbate their challenges by suspending their BadgerCare eligibility, which will trap more non-custodial parents in poverty and will probably increase the large economic disparities in our state.

- **Medicaid savings accounts** – Special Session Bill 9 requires the Department of Health Services to seek federal approval to establish accounts similar to health savings accounts (HSAs) in the Medical Assistance program. HSAs are designed primarily for high income earners to cover the costs of their high-deductible health insurance plans. If a waiver is obtained, Wisconsin would be the only state to require a health savings account (HSA) for adults under the poverty level. Arkansas implemented an HSA requirement, but they decided it was a failed experiment and ended it, saving the state $6 million per year in reduced spending for Medicaid administration.

Legislation Relating to Dental Care

The legislature considered a few bills designed to increase access to dental care. Wisconsin ranks worst in the nation for children's access to dental care through Medicaid, and many with commercial insurance also have trouble accessing the care they need.

- **Increasing dental care providers** – Legislators proposed two bills that would allow more providers other than dentists and dental hygienists to provide a limited amount of dental services. Both of these new groups would need to go through new certification and training programs and would have to be supervised by dentists. Neither Assembly Bill 945, which would create a dental therapy program, nor Assembly Bill 749, which would authorize dental auxiliaries, passed this session.

- **Reimbursement rates** – The legislature passed a bill that seeks to expand a pilot program that increased the Medicaid reimbursement rate for dental care in a few counties. Assembly Bill 627 allows, the Department of Health Services to expand the pilot to additional counties, but it does not authorize any new money. Since DHS has said that it won't have any funds left over for an expansion, this isn't likely to improve access to dental care.

Other Health Care Legislation

Wisconsin's budget, passed last fall, also includes several provisions that impact health care. To find out more, read A Summary of the Final 2017-2019 Budget for Health Care, September 2017.

Proposals Affecting Health Care in 2017-2018 Legislative Session

Passed	Create a reinsurance program to help lower healthcare costs for people on the Marketplace whose incomes are too high to qualify for federal subsidies.
Passed	Require people who are insured through BadgerCare to pay child support or lose their health benefits.
Passed	Require some people on BadgerCare to contribute to health savings accounts.
Passed	Allow for expansion of dental reimbursement pilot if the existing funding level permits.
Passed	Create a program between hospitals and health care systems to pay for care coordination for people on Medicaid.
Passed	Prohibit public employees in Wisconsin from accessing health insurance plans that cover abortions, with limited exceptions.
Did Not Pass	Provide some limited protections for people with preexisting conditions if the ACA were repealed, but would not address annual or lifetime limits.
Did Not Pass	Expand BadgerCare to cover nearly 79,000 adults, while saving the state $190 M per year.
Did Not Pass	Allow employers to band together to offer very limited health benefits to their employees.
Did Not Pass	Allow providers and patients to enter into direct primary care agreements, where patients pay a monthly fee and receive routine health care from the provider. The bill also instructed DHS to begin a similar program for Medicaid.
Did Not Pass	Create a reinsurance program to help lower healthcare costs for people on the Marketplace whose incomes are too high to qualify for federal subsidies.
Did Not Pass	Create a dental therapy program in Wisconsin, which would allow those providers to offer dental services at a reduced cost.
Did Not Pass	Create "expanded dental function auxiliaries" which would be able to provide some dental services under the supervision of a dentist.