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Governor's Proposed Budget for Health Care

Governor Evers has proposed an ambitious budget for health care that increases access to care and coverage by expanding BadgerCare, increases funding for hospitals and other providers, invests in maternal and infant health and health equity, and provides more support for public health. It also increases access to dental services, makes health insurance more affordable, invests in caregiving and the caregiver workforce, and recommends rate increases for behavioral providers as well as a regional approach to crisis support.

Protecting & Expanding Access to Care & Coverage

- **Fully Expanding BadgerCare** – Governor Evers' budget expands BadgerCare eligibility to 138% of the federal poverty level, which is a little more than \$24,000 income annually for a single parent with one child. Roughly 91,000 adults are expected to gain coverage, and the Department of Health Services (DHS) estimates the state would save about \$630 million over the course of the two-year budget. The budget puts those dollars back into the Medicaid program to invest in vital services such as, hospitals, behavioral health, and nursing homes.

Largely due to the pandemic and increased need, DHS estimates that simply preserving the status quo for the Medicaid budget will cost an additional \$640 million over the next two years. Wisconsin will need to expand BadgerCare and qualify for the substantially increased federal funds available only to expansion states to help pay for the critical investments in Medicaid proposed by the governor.

- **Health Insurance Consumer Protections** - The budget prohibits health insurance plans from denying people coverage or charging them more due to their health status or a pre-existing medical condition and also prohibits annual and lifetime limits. The proposed budget would limit short-term health insurance plans that don't comply with Affordable Care Act standards, to no more than three-month terms or six months if renewed.

Lastly, the budget would prohibit insurance companies from billing patients for out-of-network costs if they are generally beyond the patient's control, such as emergency services.

- **Developing a State-Based Marketplace & Making Health Insurance More Affordable** - The Governor's budget proposes that, rather than continue to use the federally regulated healthcare.gov, Wisconsin build and manage its own health insurance marketplace. States that operate their own sites are able to better control costs and can determine when people can enroll. For example, during the first few months of the COVID-19 pandemic, all states with state-based marketplaces reopened, which made it easier for people to get coverage. However, the federally regulated site refused, so Wisconsinites had to jump through additional hoops to get coverage.

The proposed budget would continue to fund the state's reinsurance program at \$200 million per year. The Health Care Stability Plan lowers premiums by helping insurers pay for high costs of care. This mainly benefits people who are not receiving financial assistance through the ACA.

The governor's budget recommends starting the process of developing an initiative to help lower-income Wisconsinites afford marketplace plans by reducing the cost of monthly premiums and out-of-pocket expenses.

The budget also directs state agencies to begin the process of developing a public option for health insurance, to be operational in 2025. A public option would likely offer Wisconsinites a more affordable choice when signing up for coverage.

- **Improving Access to Health Care through Telehealth & Expanding Broadband** - The governor's budget recommends that all health insurance carriers in Wisconsin guarantee parity for services delivered via telehealth. They would not be allowed to charge more or put limits on services beyond that of in-person care.

The budget also provides over \$150 million for the two-year period to expand access to broadband internet services throughout the state. With the expansion of telehealth and other virtual medicine, a reliable internet connection directly impacts access to health care.

Raising Reimbursement Rates for Providers

- **Increasing Access to Dental Services** - The Governor's budget improves access to dental services by increasing Medicaid funding for providers and authorizing dental therapists to practice in the state. It allocates nearly \$36 million over two years to increase Medicaid reimbursement rates so more dentists will serve more patients insured through BadgerCare and other Medicaid programs.

It also authorizes a new mid-level dentistry professional called dental therapists to work in Wisconsin. Dental therapy can be particularly helpful in rural areas and other communities where there is a shortage of dental health care professionals.

- **More Funding for Hospitals that Serve Medicaid Patients** - The governor's budget increases funding for hospitals that serve patients enrolled in Medicaid. The \$321 million investment includes increases for hospitals that serve a disproportionately high number of uninsured or Medicaid patients, critical access hospitals that serve Medicaid patients in rural areas, and pediatric hospitals that serve children.

The \$321 million increase for hospitals is contingent upon expanding BadgerCare and capturing the additional federal funding the Affordable Care Act provides to expansion states.

- **Boosting Medicaid Rates & Expanding Covered Benefits** - The governor's proposed budget significantly expands benefits covered under the state's Medicaid program and increases reimbursement rates for many providers, including outpatient mental health and substance use treatment, emergency physician services, community health workers, autism treatment services, and medication-assisted treatment.

- **Additional Funding for Caregivers** - The budget substantially increases nursing home rates and allows the department more control in rate-setting. It recommends strengthening direct care funding for both Family Care and personal care services by nearly \$160 million over the biennium. Much of those dollars are allocated to increase wages for direct care workers.

The budget also establishes a system for equitable rate-setting for home and community-based services, allows direct care workers to disregard some of their income to make their childcare more affordable, and invests in aging and disability resource centers and dementia care specialists.

Investing in Public Health, Community Organizations, & Health Equity

- **Healthy Women, Healthy Babies: Improving Birth Outcomes** - The budget dedicates nearly \$30 million to support maternal and infant health, specifically aimed at addressing racial disparities in infant and maternal health. The initiative includes funding to expand postpartum coverage from two months to one year under the Children’s Health Insurance Program.

It also expands Medicaid coverage to pay for doula services, and allots \$8 million for Black women-led and community organizations working to reduce racial health disparities and working to improve Black women’s health in Dane, Kenosha, Milwaukee, and Rock counties.

- **Funding Community Health Workers, Community Health Centers, & Free and Charitable Clinics** - The governor’s budget expands Medicaid coverage and includes approximately \$15 million to integrate services provided by community health workers, with the goal of increasing access to care and improving quality and cultural responsiveness of services.

The budget recommends \$4 million in increased funding for community health centers, which are located in medically underserved areas, provide services on a sliding fee scale, and serve people regardless of their insurance status or ability to pay. The budget also includes \$4 million for free and charitable clinics across the state, which are one of few sources of care for people who are uninsured or underinsured.

- **Prevention & Treatment of Lead Poisoning** - The rate of children with lead poisoning in Wisconsin is worse than the national average. Further, Black children are more likely to have elevated blood-lead levels than other children. The budget continues funding for an initiative under the Children’s Health Insurance Program to offer lead abatement services for eligible families.

The governor’s budget also decreases the blood-lead level children must have to receive treatment through the Birth to 3 program. This makes more children eligible for treatment of lead exposure, and funding is increased to meet that projected demand.

Finally, the budget recommends \$40 million to safely renovate lead-based water service lines and supports outreach funding directed to impacted communities, such as Milwaukee County where 10% of children tested were considered lead poisoned.

- **Increasing Public Health Funding for Counties and Tribal Governments** - Wisconsin’s public health system is one of the least well-funded in the nation, ranking 46th in per capita public health spending. The governor’s budget significantly increases funding for state, local, and tribal public health agencies. The proposed budget also recommends funding for tobacco cessation efforts and raises the age to purchase tobacco-related products from 18 to 21.
- **Medicaid Community Health Benefit** - Year two of the budget includes \$25 million to address social determinants of health for people who are enrolled in Medicaid. The program would allow Medicaid to reimburse for non-medical services, such as transportation, housing, nutrition, stress management, and food security.

Improving Access to Mental Health and Substance Use Treatment Supports & Creating a Regional Approach to Crisis Services

- **Access to Mental Health and Substance Use Services** - In addition to substantial investments to Medicaid reimbursement rates to increase access to mental health care, the budget expands Medicaid coverage to include residential substance use disorder treatment, funding for behavioral health phone-based support, services for people who are deaf and/or

hard of hearing, crisis intervention training, and a real-time “bed tracker” for crisis centers, peer run respites, and inpatient facilities.

- **Regional Approach to Crisis Services and Emergency Detention** - The proposed budget creates a more local approach to crisis stabilization services by investing a little more than \$17 million in the second year of the budget to develop two crisis centers, which would include both crisis stabilization units and inpatient psychiatric beds, and regional crisis stabilization facilities for people requiring short-term support in a less restrictive setting.

The budget reforms the emergency detention process by having those regional crisis centers assume responsibility for people in emergency detention and provides funding to support more collaboration between law enforcement and local behavioral health care providers to jointly respond to requests for emergency assistance.