

## Top 10 Reasons to Use the Affordable Care Act to Fill the Gap in BadgerCare

The Affordable Care Act (ACA) gives Wisconsin an exciting opportunity to improve access to health care for a large segment of uninsured Wisconsinites – i.e., adults who aren't custodial parents of a dependent child – using the proven and successful Medicaid program. Here are ten of the many reasons why Wisconsin should use this option to close the current gap in BadgerCare coverage.

- 1) **It's the right thing to do.** Everyone is worthy of health care coverage, and using the Medicaid opportunity in the ACA would close the largest gap in Wisconsin's health care system.
- 2) **It will save lives.** States that have extended Medicaid coverage to "childless adults" have seen fewer deaths - especially those caused by disease, accidents, injuries, and drug abuse.<sup>1</sup>
- 3) **It also saves money.** Covering more adults will reduce emergency room visits and uncompensated care costs that are incurred by hospitals and then shifted onto other health care consumers.<sup>2</sup> It will also yield savings by reducing state and local mental health costs for serving the uninsured.<sup>3</sup>
- 4) **It's a very good deal for Wisconsin.** The federal government will pick up the full cost of coverage for newly eligible adults for three years and at least 90% of those costs in subsequent years.<sup>4</sup> Wisconsin will also capture a higher federal reimbursement for coverage of currently enrolled non-caretaker adults.
- 5) **It will create jobs.** The large infusion of federal funding will have an extremely positive effect on the state economy – yielding thousands of additional jobs and increased tax revenue.<sup>5</sup>
- 6) **It will help protect Wisconsin workers against preventable illnesses,** result in a healthier and more productive workforce for Wisconsin employers, and improve our economic competitiveness.<sup>6</sup>
- 7) **Four-fifths of the adults who would gain BadgerCare eligibility are too low-income** to be eligible for subsidized coverage in the new health insurance exchanges (because those subsidies are for people between 100% and 400% of the federal poverty level).<sup>7</sup>
- 8) **More of our federal tax dollars will be used in Wisconsin** by taking advantage of this opportunity to close the BadgerCare gap, which is especially important in our state because we currently get much less federal support than most other states.<sup>8</sup>
- 9) **It will improve access to mental health care.** The single most effective way to improve access to mental health services in Wisconsin is to close the gap in BadgerCare.
- 10) **Wisconsin can once again be a leader** in providing access to cost-effective preventive care by closing the gap in BadgerCare and providing insurance to low-income adults without dependent children, many of whom are now on the waiting list for the BadgerCare Core Plan.<sup>9</sup>

*(See footnotes on next page.)*

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<sup>1</sup> See the recently published study in the New England J. of Medicine:  
<http://www.nejm.org/doi/full/10.1056/NEJMsa1202099>

<sup>2</sup> According to the Wisconsin Hospital Association, hospitals in our state provided about \$1.2 billion of uncompensated care in fiscal year 2011.

<sup>3</sup> See the July 2011 Urban Institute report, "*ACA and State Governments: Consider Savings as Well as Costs.*"

<sup>4</sup> Because Wisconsin already covers a modest number of adults without dependent children, but with a benefit that falls short of Medicaid coverage, it isn't clear yet whether our state will initially get 100% federal funding for all "childless adults" below 138% of the poverty level.

<sup>5</sup> An analysis by the state of Arkansas concluded that implementing the Medicaid option would generate about \$35 million per year in higher state tax revenue, because of the influx of federal dollars and increased economic activity.

<sup>6</sup> The most recent [Family Health Survey](#) (for 2010) found that 60% of uninsured, low-income "childless adults" in Wisconsin have not had a checkup during the past two years.

<sup>7</sup> A recent analysis by the Urban Institute estimated that there are about 181,000 Wisconsinites who would be newly eligible for BadgerCare coverage, and 145,000 (80%) are below the poverty level. For a discussion of the number of people who would benefit, see the recent WI Budget Project paper: [Using the ACA to Fill the Gap in BadgerCare; Who Would Be Served and What Is It Likely to Cost?](#)

<sup>8</sup> Based on the most current Census Bureau data, which is from 2010, federal spending in Wisconsin was more than \$800 per person below the national average.

<sup>9</sup> As of August 2012, there were about 136,000 people on that waiting list, but some have income above the income ceiling for the ACA Medicaid option, which is 138% of the federal poverty level.