

Overview of Build Back Better Health Care and Coverage Provisions

The Build Back Better legislation would dramatically increase access to health care and coverage for millions of people throughout the nation. It would spur a historic reduction in child poverty and a marked decrease in child hunger. It also would provide affordable, quality health coverage to millions of uninsured Americans, improve access to maternal and child health care, and help mitigate racial disparities in birth outcomes. It would expand access to stable, affordable housing at a time when housing instability and homelessness is a reality for far too many in Wisconsin. And it would strengthen families and help parents stay in the labor force by reducing the cost of child care. Together, these investments will narrow racial disparities that are rooted in our nation's long history of racism and discrimination.

This brief outlines some of the changes to Medicaid, the Affordable Care Act, and Children's Health Insurance Program and their potential impact on health coverage and health care for Wisconsinites.

Closing the Coverage Gap in States that have not Expanded Medicaid

- The bill would for the first time provide Affordable Care Act Marketplace subsidies to the more than 2 million low-income uninsured adults stuck in the coverage gap in the 12 hold-out states that have not expanded Medicaid, including Wisconsin.
- Subsidies would be provided for four years (January 1, 2022 through December 31, 2025), with additional cost-sharing protections available starting January 1, 2023. More than half of those stuck in the coverage gap are Black, Indigenous, and People of Color (BIPOC). Read more about who's impacted by the coverage gap [here](#).
- The changes will provide a more affordable coverage option to approximately 90,000 Wisconsinites who are either uninsured or struggling with the costs of affordable coverage.
- Starting in 2022, people below 138 percent of the federal poverty level will be able to enroll year-round and will be able to get subsidies regardless of whether their employer offers job-based health insurance.
- People currently in the coverage gap will be eligible for health insurance with \$0 monthly premiums and, starting in 2023, have limited cost-sharing with the percentage of total average costs of covered benefits that the plans pay set at 99 percent.

- Additional benefits such as non-emergency transportation to and from medical appointments would be available starting January 1, 2024.

Incentivizing States to Maintain Their Current Eligibility or Expand Medicaid

- Supporting Medicaid Expansion
 - To encourage the 38 expansion states to maintain their coverage and to further incentivize non-expansion states to finally pass the expansion, the bill raises the federal matching rate for expansion states to 93 percent for three years (2023-2025). It is currently 90%.
 - This is in addition to the American Rescue Plan's initiative that increases funds for a state's entire Medicaid program for two years if it newly takes up the expansion. Wisconsin is one of the 12 states that has yet to fully expand Medicaid. And if it did so, Wisconsin would see a savings of more than \$2 billion from 2023-2025.
- Promoting Stability and Continuation of Coverage
 - The bill also helps stabilize Medicaid by requiring states to maintain their current Medicaid eligibility and enrollment standards between October 1, 2022 and December 31, 2025. With some small exceptions, if states cut back their eligibility or make it harder for people to enroll and stay covered, they would see a 3.1 percentage point reduction in their Medicaid matching rate.
 - Starting in fiscal year 2023, the bill would reduce federal funding for Disproportionate Share Hospital payments (by 12.5 percent) for non-expansion states – DSH provides funding to states for hospitals that provide care to large numbers of people who are covered by Medicaid or are uninsured

Improving the ACA Marketplace

- The American Rescue Plan ensured that people under 150 percent of the federal poverty level enrolled in subsidized silver-level ACA plans could have a 0\$ monthly premium in 2022. This bill extends that change through 2025.
- It also extends the provision that eliminated the subsidy cliff facing people who made over 400 percent of the federal poverty level. Now and through 2025 everyone on the ACA Marketplace will be able to get tax credits so they pay no more than 8.5 percent of their income on insurance premiums.
- In Wisconsin about 195,000 people are insured through the ACA Marketplace. Over the last few years, lower-income Wisconsinites have been impacted most by enrollment declines. These changes should add more stability to the Marketplace and make it more affordable for all who rely on it.

Improving Maternal Health

- The legislation ensures that all pregnant people enrolled in BadgerCare and other Medicaid programs can maintain their coverage for 12 months after the end of their

pregnancy, starting January 1, 2023 (should the bill pass by the end of 2022). Wisconsin currently only provides coverage for 60 days after pregnancy.

- It also creates a new state option with a temporary enhanced matching rate for maternal health health-homes so states can better coordinate their care.
- The legislation allocates funding for all twelve initiatives included in the [Black Maternal Health “Momnibus” Act](#) aimed at improving maternal health and mitigating racial inequities.

Strengthening Children’s Health

- The legislation ensures all children and youth enrolled in BadgerCare and other Medicaid programs can stay enrolled for 12 months at a time, reducing the risk that they will experience gaps in coverage due to income changes or administrative barriers, such as not submitting paperwork on time.
- It makes the Children’s Health Insurance Program (CHIP), which is currently funded through 2027, permanent so that it doesn’t require reauthorization by Congress every few years.
- It permanently extends Medicaid and CHIP stability provisions for children, which bars states from cutting eligibility or making it harder for eligible children to enroll. States can still expand and improve eligibility, but they can’t scale back health insurance for kids. In fact, the bill makes it easier for states to expand and improve CHIP with a more streamlined process, including making permanent the Express Lane Eligibility option for states.

Increases support for Home and Community-Based Services to Keep People out of Long-term Care Institutions

- Build Back Better permanently increases federal Medicaid matching rates to improve access to and quality of Medicaid-funded Home and Community Based Services (HCBS) and increases pay, training, and career pathways for direct care workers.
- It makes permanent both 1) the successful Money Follows the Person program, which helps people move from institutions to community settings, and 2) the rules that ensure people can maintain some financial resources when their spouse is receiving HCBS covered by Medicaid.
- [Click here to read more about investments in Home and Community-Based Services.](#)

Coverage for People who are Incarcerated

- The legislation provides Medicaid and CHIP coverage to individuals who would otherwise be eligible 30 days prior to leaving jail or prison, which will help connect them to the care they will need in the community and reduce their risk of returning to jail or prison due to unmet health care needs. In 2020, Wisconsin made steps in this direction by [suspending](#), rather than terminating, Medicaid and BadgerCare Plus coverage for

people who had become incarcerated, enabling them to have access to care immediately upon release.

Mobile Crisis Services

- Build Back Better makes permanent the mobile crisis services state option (which was created by the American Rescue Plan Act, and scheduled to last from April 1, 2022, through March 31, 2027), so that more states are able to deploy specialized teams to respond to emergency services calls with people who are experiencing mental health and substance use challenges.

Health Funding for US Territories and Native Health Organizations

- The legislation also permanently increases federal Medicaid funds for Puerto Rico and other US territories so they have more adequate funds to maintain their programs, though the measures fall short of ensuring full parity between the territory and state Medicaid programs.
- It also builds upon the American Rescue Plan by extending the 100 percent federal Medicaid match for urban Indian organizations and Native Hawaiian health centers and qualified entities for an additional 2 years.

The Build Back Better legislation would provide historic investments in coverage and care for low and middle income Americans. It would extend coverage to millions who are currently uninsured, help address the caregiver crisis in this country, take steps to mitigate racial inequities in health care coverage and quality, and improve maternal and child health.

Allocating funding to all twelve bills included in the Black Maternal Health “Momnibus” package will help the nation and our state begin to address the stark racial disparities in birth outcomes, where due to the racism rooted in our health systems, Black moms in Wisconsin are five times more likely to die during childbirth than White moms.

By requiring all states to provide one-year continuous coverage to kids and pregnant people and stabilizing Medicaid and CHIP funding and eligibility, this legislation sets a care and coverage floor for people regardless of which state they live in.

The current version of the bill, which passed the House in November, does not include some of the changes that would have provided more comprehensive health care for all people who live in this country. For example, it does not change Medicaid rules so that states could choose to expand coverage to children, pregnant people, and other adults regardless of their immigration status; it does not expand Medicare to cover vision and dental services; and many of the positive changes only last for a few years. Nevertheless, the revised bill would yield tremendous improvements in

access to health care services and would significantly reduce racial disparities in access to care and coverage.

Sources:

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