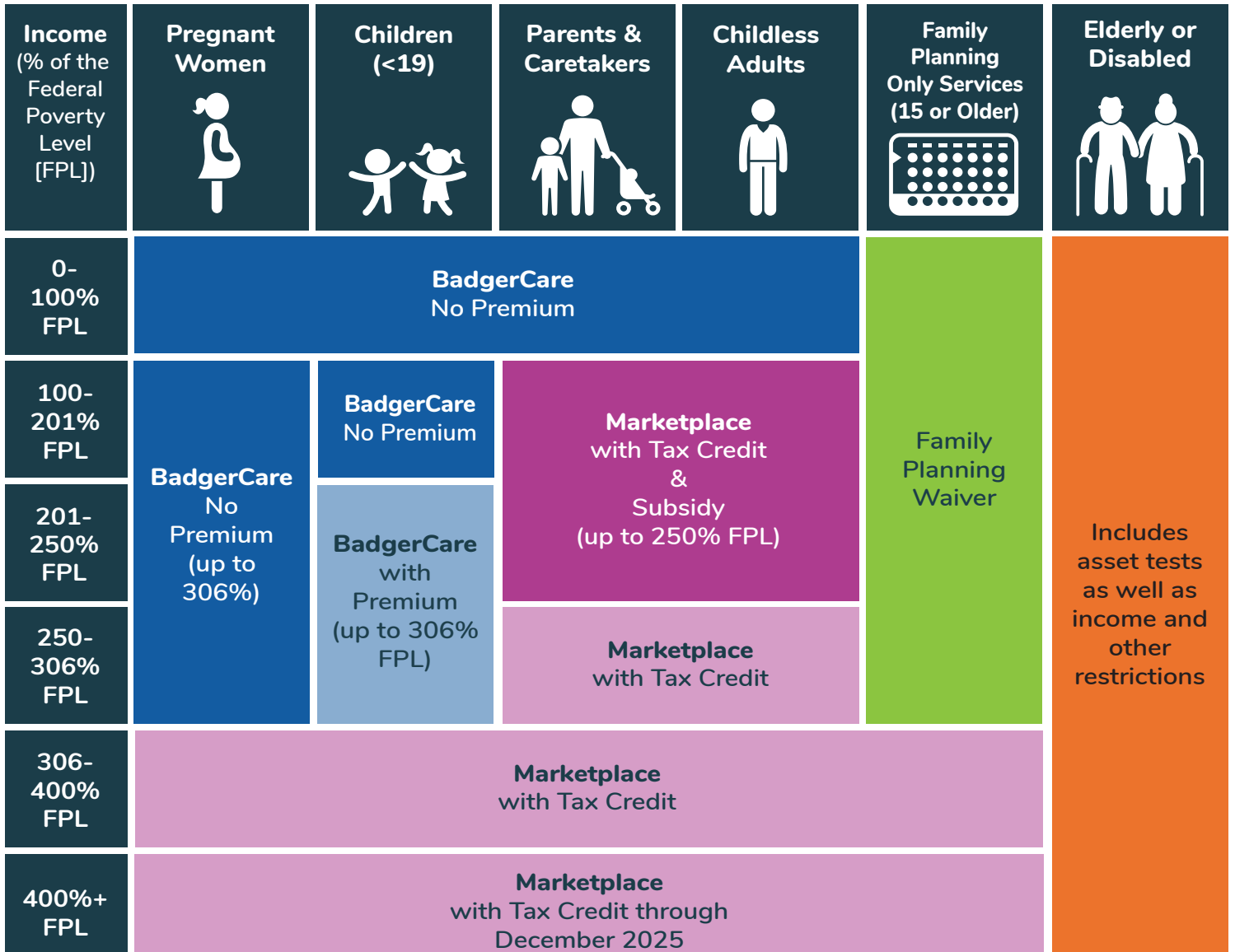


Subsidized Health Insurance in Wisconsin

The insurance landscape for individuals and families - including information regarding whether there are premiums, federal tax credits & eligibility restrictions for people with offers of employer-sponsored insurance (ESI)



Federal Poverty Level by Household Size and Monthly Income Level (2024)

GROUP SIZE	50%	100%	138%	201%	*250%	306%	400%
One	\$628	\$1,255	\$1,732	\$2,523	\$3,038	\$3,840	\$5,020
Two	\$852	\$1,703	\$2,351	\$3,424	\$4,108	\$5,212	\$6,813
Three	\$1,076	\$2,152	\$2,969	\$4,325	\$5,179	\$6,584	\$8,607
Four	\$1,300	\$2,600	\$3,588	\$5,226	\$6,250	\$7,956	\$10,400
Five	\$1,524	\$3,048	\$4,207	\$6,127	\$7,321	\$9,328	\$12,193
Six	\$1,748	\$3,497	\$4,825	\$7,028	\$8,392	\$10,700	\$13,987
Each Additional		+\$488	+\$618	+\$900	+\$1,071	+\$1,371	+\$1,792

* Income levels marked with an asterisk relate to insurance coverage through the Marketplace. These 2023 FPLs remain in effect until Nov. 2024.

Restrictions for People with Offers of Employer-Sponsored Insurance

What does “Crowd Out” Mean?

The Affordable Care Act was designed to supplement the system of employer-sponsored insurance (ESI). For that reason it contains provisions that are designed to deter what is known as “crowd out” – the replacement of private health insurance with publicly subsidized coverage (such as BadgerCare). Crowd-out can occur if either employers or employees drop private insurance in favor of coverage under a public insurance program.

Note: See [here](#) and [here](#) for a more in-depth discussion of private insurance crowd-out.

What are Crowd-Out Standards?

State and federal law contain a number of crowd-out standards, which are policies that are intended to limit eligibility to public health care coverage (such as BadgerCare) to people who do not have the option of getting adequate, affordable health insurance coverage through an employer. Since its start in 1999, BadgerCare has had crowd-out standards that limit eligibility, and the Affordable Care Act contains standards that restrict eligibility for federal subsidies for health insurance plans purchased through the [Health Insurance Marketplace](#).

What is the “BadgerCare 80% Crowd-Out Rule”?

Wisconsin’s crowd-out restrictions typically apply to children ages:

- 1-5 in families with household incomes over 191% FPL
- 6-18 in families with incomes over 156% FPL

Note: If a child qualifies for continuous coverage, their benefits cannot be terminated during the 12-month continuous coverage period because of health insurance coverage. Their benefits can only be denied or terminated during application or renewal.

The restrictions do not apply unless the child’s access is through an employed family member currently living in the household. Individuals who fall into a BadgerCare category that imposes the “80% Crowd-Out Rule” will be deemed ineligible for BadgerCare if they have access to an employer plan that meets any of the following standards:

- The employer offers coverage that pays at least 80% of the premium; OR
- Under certain narrow circumstances when the employee could have been covered in an employer-sponsored plan (meeting the 80% test) within the previous 12 months; OR
- Coverage is available under the State of Wisconsin employee health plan (regardless of plan type or premium amount contributed by state or local government).

**Note: 1) BadgerCare Prenatal has different crowd-out rules; 2) There are “good cause” exemptions to these rules; 3) Children and pregnant women of higher income levels can sometimes qualify for BadgerCare by incurring medical expenses that meet a certain deductible amount – this is sometimes called “spend down”.*

What is the Employer Sponsored Insurance Affordability & Comprehensiveness Test?

Individuals who are purchasing coverage through the Marketplace will be asked to verify that they have no access to employer sponsored insurance that meets both an adequacy or “minimum value” test and an affordability test as defined by the Federal Government.

- **Adequacy:** An employer-sponsored insurance plan meets the “minimum value” test if, on average, it pays at least 60% of total allowed costs.
- **Affordability:** If the cost of premiums for coverage for an employee is less than 8.39% of the taxpayer’s household income, the coverage is considered affordable for the employee. When determining eligibility for Marketplace financial assistance for anyone else in the household, the premium costs to cover everyone in the household must be less than 8.39% of the household income.