

August 1, 2014

Secretary Kitty Rhoades  
Department of Health Services  
P.O. Box 7850  
1 West Wilson Street  
Madison, WI 53707-7850

Re: Drop in Number of Children in BadgerCare

Dear Secretary Rhoades,

In the course of analyzing BadgerCare participation numbers, we've been very surprised to find that the total number of children enrolled in BadgerCare and Transitional Medicaid has declined significantly. That is an unexpected and worrisome trend because the number of children enrolled in Medicaid and CHIP has increased in other states this year, and the budget bill assumed a very substantial increase in Wisconsin.

A decline in coverage of kids could cause the state to fall well short of the Governor's goal of cutting in half the number of uninsured Wisconsinites. With that in mind, we're seeking your department's assistance in understanding why the number of children in BadgerCare is shrinking and whether that trend is likely to impede the state's progress toward the Governor's goal.

As you are aware, the state budget assumed that BadgerCare enrollment of children would increase significantly by the end of this biennium. Based on Legislative Fiscal Bureau figures, it appears the net increase was expected to be about 37,000 by June of next year. However, the enrollment figures show the number of kids in BadgerCare (including Transitional Medicaid) has been heading down rather than up. Here's what our analysis of the data shows:

- Since September of last year, the number of children over the poverty level who are enrolled in BadgerCare and Transitional Medicaid (TMA) has dropped by more than 22,000 (12.5%).
- That decline has been partially offset by an increase in enrollment of almost 13,500 children below the poverty level, but there has still been a net loss of more than 8,600 kids in BadgerCare and Transitional Medicaid.
- The declining number of children showed no signs of abating in June – falling by more than 2,500 over the course of that month.

As Wisconsin strives to continue its progress in reducing the number of uninsured state residents, it will be important to understand why BadgerCare coverage of children in our state has declined at a time when we thought it would increase substantially. There are a number of ways that data in the possession of your department should be able to help shed light on why the current enrollment of children in BadgerCare and Transitional Medicaid is far lower than anticipated. Specifically, we seek the assistance of DHS in answering the following questions:

- How many of the children who have dropped off BadgerCare and Transitional Medicaid since the beginning of the year are now insured via the Marketplace?

- How many Wisconsin children are currently insured through Marketplace plans, and what percentage of those children had been enrolled in BadgerCare (including Transitional Medicaid) in 2013?
- Among the children who lost their BadgerCare coverage this year, what percentage of them have a parent or guardian who also lost coverage at the same time?
- To what extent did changes in income and household definitions contained in the Affordable Care Act cause some parents and children who had been above the poverty level to drop below it?
- Among the children who have lost BadgerCare coverage, what percentage have failed to renew their coverage (when they came up for an annual renewal), versus those who are found to be ineligible prior to an annual review?
- What does the “reason code” data show about why BadgerCare enrollment of children over the poverty level has declined?

We think the answers to those questions will go a long way toward helping policymakers, health care providers and advocates understand why BadgerCare enrollment of children over the poverty level has been dropping, and whether Wisconsin is continuing to make progress toward significantly reducing the number of uninsured children.

Thank you in advance for your assistance.

Sincerely,

Jon Peacock, research director  
Wisconsin Council on Children and Families

Attachment: [July 31 WCCF fact sheet](#) on enrollment trends

cc: Kevin Moore, Deputy Secretary