INTRODUCTION

The 2013-15 state budget proposal would reform Wisconsin’s Medical Assistance program, commonly known as MA or Medicaid, and increase funding for mental health services. The WCC supports efforts to make quality, affordable health care more accessible in our state, but also urges legislators to maintain existing coverage for those of limited means.

DISCUSSION

Under the Patient Protection and Affordable Care Act (ACA), states may opt to expand Medicaid to eligible individuals with annual incomes at or below 138 percent of the federal poverty level (FPL) ($15,856 for a single person). In states that opt to expand, the federal government has pledged to pay 100 percent of the costs until 2017 for those newly eligible to Medicaid. In the following years, federal contributions will gradually decline until reaching 90 percent of costs in 2020.

Governor Walker announced that the state would forgo this expansion of Medicaid and instead in his budget proposed a restructuring of Wisconsin’s Medicaid program. Currently in Wisconsin, parents and caretakers of children who live in households with incomes up to 200 percent of FPL ($22,9080 annually for an individual) can qualify for Medicaid benefits. Those at 133 percent of FPL ($15,282 for individuals, $31,322 for a family of four) are eligible for benefits at little to no cost. About 20,000 childless, nondisabled adults with incomes below 200 percent of FPL also receive Medicaid benefits under the BadgerCare Core plan, but the program is closed to new participants.

Under the state budget proposal, when Wisconsin begins offering plans through the ACA health insurance exchanges in 2014, Medicaid eligibility for a nondisabled adult would be reduced to poverty level ($11,490 for a single person, or $23,550 for a family of four). As a result, it is estimated that roughly 100,000 Wisconsin adults would be forced out of the Medicaid program and directed to sign up for an exchange plan.

Exchange coverage will be subsidized for those with incomes between 100 percent and 400 percent of FPL, but such costs will still be significantly higher than costs born under Medicaid. All individuals in an exchange plan will be required to pay monthly premiums. Failure to pay could result in a loss of coverage. Additionally, these individuals could face out-of-pocket costs of up to $2000 to $4000 per year, depending on the type of coverage purchased, which for those with incomes around poverty level could equal as much as 20 percent of their total income.

According to the Wisconsin Legislative Fiscal Bureau, the proposed Medicaid restructuring could cost the state up to an estimated $320 million over ten years. However, if Wisconsin were to accept federal funds to expand Medicaid, existing coverage would be maintained and the state could save an estimated $217 million over ten years.

CATHOLIC TEACHING

Access to health care for all people has been a policy goal of the U.S. bishops since 1919. The Church has a long history of caring for the ill, aged, vulnerable, and dying. Indeed, Catholic hospitals serve
one in six patients nationwide. In Wisconsin, one-third of health care facilities are Catholic. As policy makers design systems to best meet the health needs of Wisconsin, Church teaching advocates such systems retain a “preferential option for the poor,” which ensures that those of limited means, and the providers that serve them, have the resources to attain appropriate and quality care.

**WCC POSITIONS**

**Coverage for Nondisabled Adults.** The WCC supports the Governor’s continued fiscal attention to Medicaid programs and his efforts to expand health care coverage for nearly 225,000 uninsured. However the WCC urges policy makers to maintain existing coverage for Medicaid recipients, while at the same time, expanding coverage to uninsured nondisabled adults living at or near poverty in Wisconsin. Policy makers should provide families with an alternative choice that will not require them to manage multiple plans and providers, a likely result under the current proposal. Wisconsin should study options that best utilize limited state resources and consider accepting additional federal funds.

**Family Care.** The WCC also urges policy makers to seek a further expansion of Family Care, the state’s community-based, long-term care program. Family Care provides elderly and individuals with disabilities who wish to remain in their homes access to necessary community-based care. Statistics show that individuals live longer and are more content when they receive care in home. Although this is not true for everyone and not always medically possible, our state should support individuals who wish to retain independence, as well as the providers who serve them. Currently whether an individual can access services under Family Care depends upon the county in which they live. Policy makers should make every effort to expand Family Care statewide and ensure that providers have the resources necessary to maintain appropriate services under the program.

**Mental Health Services.** The WCC lauds the Governor’s budget proposal to devote $28.9 million in mental health services. Greater diagnosis and services for families coping with behavioral health issues will allow for the kind of consistent treatment needed to provide stability in the home and to promote healthier communities. The creation of the Office of Children’s Mental Health will also provide much-needed focus on the treatment of children’s behavioral health. Additionally, the Speaker’s Task Force on Mental Health in the Assembly will aid in recommending further improvements for mental health treatment in Wisconsin.

**ACTION REQUESTED**

Please urge legislators to maintain existing coverage for Medicaid recipients, while at the same time expanding coverage for those of limited means who need access to services.

- Expand Medicaid in a manner that preserves state dollars, including, if necessary, through accepting federal funds.
- Provide for expansion and increased funding of Family Care, the state’s community-based, long-term care program.
- Approve increased funding for mental health services and for the establishment of an Office of Children’s Mental Health.

For more information, please contact Kim Wadas at 608-257-0004.

To find contact information for your State Representative or Senator, visit the Wisconsin State Legislature website at [http://legis.wisconsin.gov](http://legis.wisconsin.gov) and click on “Who Represents Me,” or call the State Legislative Hotline, 1-800-362-9472.