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2>Health Care For All Kids

State Opening Medicaid To More People To Increase Coverage For Uninsured.

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Russ and Bobbie Peterson's adoption of granddaughter Alexia in November was supposed to be joyous.

Instead, the couple discovered that 5-year-old Alexia, who has needed repeated treatments for a blood infection, would lose her Medicaid health coverage because her new legal parents' modest income was too high.

"I had a panic attack," Bobbie Peterson said. "I worried so bad I couldn't believe it."

In just weeks, the Petersons may have an answer. On Feb. 1, Wisconsin will start toward an ambitious health-care goal - ensuring all children in the state have access to coverage.

The state already has one of the lowest percentages of uninsured children in the nation, and the new proposal could make the state even more of a leader.

To do it, the state is opening up Medicaid health coverage to families such as the Petersons with incomes higher than the existing limits. Just as important, advocates say, the state is also simplifying existing Medicaid programs to cut red tape that has kept eligible families from signing up.

The result, called BadgerCare Plus, will be the biggest overhaul yet of the state's Medicaid programs, which have provided health coverage to needy families since 1967. There are 510,000 - about 1 in 10 Wisconsin residents - already in the system. The changes range from making wider use of cheaper HMO-style care to using the Internet and local partners such as schools to sign up eligible but uninsured children.

But challenges also remain, from finding enough health-management organizations, or HMOs, to cover the expected additional patients as well as ensuring the plan doesn't lead to a drop in the use of private insurance.

\ At the forefront

Wisconsin is taking a step-by-step approach to covering its uninsured, rather than the more sweeping universal health-care plans being pursued in states such as Massachusetts, said Jennifer Tolbert, principal policy analyst in Washington, D.C., at the Kaiser Family Foundation's Commission on Medicaid and the Uninsured.

"Certainly (BadgerCare Plus) places Wisconsin at the forefront of a handful of states that are dramatically expanding coverage for children,"

Tolbert said.

In 2006, an estimated 98,000 children in Wisconsin went through all or part of the year without health insurance, including 4,000 in Dane County, according to the state Department of Health and Family Services. State officials expect the BadgerCare Plus changes taking effect in February will provide coverage for about 26,000 more children and adults by June 2009.

BadgerCare Plus was championed by Gov. Jim Doyle and passed by lawmakers as part of the state budget in October. Federal officials overseeing Medicaid signed off on the program changes on Nov. 27.

"The extension of health insurance so that every child in the state will have access puts Wisconsin well ahead of almost every other state and it gives kids a chance to grow up healthy," Doyle said.

The program will essentially offer Medicaid coverage to all uninsured children in Wisconsin, eliminating the previous income ceiling of \$38,200 a year for a family of four. Families with employer-funded insurance coverage generally wouldn't be eligible.

A family of four making \$41,300 or more will have to pay a premium to cover a child under the program, ranging from \$10 to \$68.25 per child per month, depending on income.

BadgerCare Plus will also raise income limits for parents and pregnant women under Medicaid as well as make it easier for farmers to qualify for coverage.

Jason Helgerson, Medicaid director for the state Department of Health and Family Services, said the state will attempt to shift more Medicaid recipients to lower-cost HMOs as part of the program and will also for the first time try to make clients' health a condition for some payments to the HMOs.

Children are less expensive than adults to cover and state officials hope to pay for this first round of BadgerCare Plus with \$17.4 million gained from the HMO expansion and the streamlining of three existing Medicaid programs into one.

A further expansion - to cover low-income childless adults - is scheduled to be rolled out in January 2009, pending federal approval and state funding.

Some Republicans such as Rep. Leah Vukmir, R-Wauwatosa, say the state should help families purchase private insurance rather than expand government health care.

Bobbie and Russ Peterson, who are both disabled and unable to work, have cared for Russ's granddaughter since her birth because Alexia's then-teenage mother wasn't able to raise her and the girl's father died, Bobbie Peterson said.

The couple's roughly \$40,000 annual income means Alexia doesn't qualify for BadgerCare under the current income limits, Bobbie Peterson said. The bacterial infection of Alexia's blood disqualifies her from obtaining private insurance. But starting in February and subject to the state's decision, Alexia will likely qualify for BadgerCare Plus if the couple pays a \$68.25 monthly premium, said Erin McBride, a staff attorney for ABC for Health, a public-interest group in Madison that connects clients

with health care.

"We'd spend our last penny to know she's OK," Peterson said of Alexia. "Her life is more important to us than anything."

But simply raising income limits on Medicaid won't help all of the state's uninsured children. That's because more than half of them live in families who already qualify for Medicaid, said Jon Peacock, research director at the Wisconsin Council on Children and Families.

The state will try several ways to reach those families, including simplifying some requirements, using more Internet enrollment and working with schools and groups such as the Boys and Girls Club, Helgerson said.

\ Finding HMOs

Donna Friedsam, an associate director at the University of Wisconsin Population Health Institute, said a challenge will be finding enough HMOs to handle all the new clients the state wants to shift to managed care. Without enough HMOs, the state might not realize the cost savings it needs to fund the BadgerCare Plus expansion, she said. That would leave the state with a choice between scaling back benefits or finding the money somewhere else.

In Dane County alone, the state health department said it is still trying to negotiate with HMOs to open some 7,200 slots for Medicaid recipients.\ \ Who will be covered?

The state is moving to overhaul and expand its Medicaid health coverage for poor families starting Feb. 1. Here are some of the groups the new BadgerCare Plus program will cover: All children generally without insurance through their parents' employer, with premiums ranging from zero to \$68.25 per child per month, depending on the parents' income.

Pregnant women with family incomes of less than \$61,950 for a family of four.

Parents with income of less than \$41,300 for a family of four.

Young adults leaving the foster care program when they turn 18.

More farm families because they will now meet income limits more easily.

For more information on BadgerCare Plus, go to [www.dhfs.state.wi.us/badgercareplus](http://www.dhfs.state.wi.us/badgercareplus) or call 800-362-3002 .\ \ Preventing fraud

Some insurers have voiced concerns that BadgerCare Plus will encourage some workers to drop employer health coverage in favor of Medicaid. To prevent that, the state generally would disqualify workers who have received employer health insurance in the last year, supporters of the program say.\ \ BadgerCare Plus by the numbers

Estimated number of Wisconsin children who were uninsured for at least part of 2006: 98,000 In Dane County: 4,000 Of all Wisconsin children, percentage who were uninsured in 2006: 6 percent State's rank by percentage of insured children: 4th best in the nation Estimated number of additional children and adults to be insured: 26,000 Sources:

Wisconsin Department of Health and Family Services; Urban Institute  
and Kaiser Commission on Medicaid and the Uninsured

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