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## 2010 Innovations Awards Application

**DEADLINE EXTENDED: MARCH 15, 2010**

ID # (assigned by CSG): **10-MW-37WI**

**Please provide the following information, adding space as necessary:**

State: Wisconsin

Assign Program Category (applicant): Health Services (Use list at end of application)

1. *Program Name:* BadgerCare Plus
2. *Administering Agency:* Department of Health Services
3. *Contact Person (Name and Title):* Linda McCart, Policy Director
4. *Address:* 1 West Wilson Street, Room 618, Madison, WI 53703
5. *Telephone Number:* 608.266.9296
6. *FAX Number:* 608.267.0358
7. *E-mail Address:* [Linda.McCart@wi.gov](mailto:Linda.McCart@wi.gov)
8. *Web site Address:* <http://dhs.wi.gov> or [www.badgercareplus.org](http://www.badgercareplus.org)

9. *Please provide a two-sentence description of the program.*

BadgerCare Plus is Wisconsin's health care reform initiative to expand health care coverage to 98% of all Wisconsin residents. The program has expanded coverage to all children, more parents/caregivers, more pregnant women, and adults without dependent children in the home; significantly simplified the application process; developed partnerships with more than 200 community organizations to provide application assistance via a web-based tool; and reduced administrative costs.

10. *How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 1, 2010 to be considered.*

Phase one of BadgerCare Plus was implemented on February 1, 2008, with phase two—expansion to low-income adults without dependent children in the home—implemented in January 2009 with automatic enrollment of existing general medical assistance program populations and open enrollment for the public implemented in June 2009.

11. *Why was the program created? What problem[s] or issue[s] was it designed to address?*

In 2004, more than 90,000 children in Wisconsin did not have health insurance. At the same time, the cost of health insurance was continuing to rise, driving many families out of employer-sponsored insurance and driving more employers to drop coverage. The lack of health insurance has consequences with research documenting that uninsured children use medical and dental services less frequently and are less likely to get their prescriptions filled than insured children, even after taking into account differences in family income, race/ethnicity, and health status. In addition, studies found that uninsured children are less likely to receive routine, preventive well-child checkups and immunizations. Especially disturbing, half of all uninsured children have not seen a doctor in the past year, more than twice the rate of insured children.

BadgerCare Plus was designed to ensure that all children in Wisconsin, regardless of income, have access to affordable insurance.

Wisconsin's 2007 Family Health Survey found that of the 265,000 residents without health insurance for a full year, nearly 9 out of 10 were adults ages 18-64. Of these, more than 78,000 were low-income adults without dependent children in their home (childless adults). Unlike low-income children and their families, pregnant women, and the elderly and disabled, there is no statewide public health program designed for this population. Like children, low income childless adults without health insurance also have poor health outcomes. The Family Health Survey found that 38% of this population was diagnosed with one or more of 15 chronic health conditions, 55% had not had a health checkup in the past two years, and 17% were treated in the emergency room in the past year. Expansion of BadgerCare Plus to the childless adult population thus has the potential to significantly reduce health care costs while improving health outcomes for a previously uninsured population.

12. *Describe the specific activities and operations of the program in chronological order.*

- January 2006—Wisconsin Governor Jim Doyle announces his “Affordability Agenda” stating that “no child should ever be without health insurance.”
- January – September 2006—town hall meetings held across Wisconsin to solicit input from a wide array of stakeholders, including current Medicaid, Healthy Start and SCHIP recipients
- March 2006—BadgerCare Plus Advisor’s Committee formed to provide policy guidance in program design
- January 2006 – December 2007—design teams meet to develop policies, procedures and system requirements
- January 2007—Governor Doyle announces expansion of BadgerCare Plus to low income adults without dependent children in the home
- October 2007—BadgerCare Plus approved by legislature as part of biennial budget
- November 2007—phase one of BadgerCare Plus for children and their families approved by CMS
- February 2008—BadgerCare Plus for children and families implemented; 40,000 individuals automatically enrolled via scan of current administrative records
- November 2008—BadgerCare Plus (1115 Demonstration Waiver) for childless adults approved by CMS
- January 2009—13,000 childless adults currently in small, county-based general assistance medical programs converted to BadgerCare Plus
- June 2009—enrollment opened for low-income childless adults
- September 2009—Wisconsin receives federal State Health Access Program grant to expand childless adult coverage for an estimated 3,000 individuals
- October 2009—applications by childless adults suspended and waitlist implemented due to budget neutrality limits for the demonstration

13. *Why is the program a new and creative approach or method?*

With implementation of BadgerCare Plus in February 2008, Wisconsin succeeded in transforming family Medicaid programs from a complex web of complicated rules to a combined program that is easy to understand, enroll in, and administer. For example, prior to BadgerCare Plus, there were eight different income tests for Medicaid, SCHIP (BadgerCare) and Healthy Start plus a complex array of income disregards and deductions. Many families had a parent and one child covered under one program while other siblings in the home were not eligible. The addition of a new benefit plan, modeled after the state’s largest commercial plan, for children and families with incomes above 200% of the federal poverty level was another innovation. Marketing the program as “coverage for all kids” was a third innovative approach to ensuring that low income children were identified and enrolled. Finally, the use of a wide array of community organizations to help locate and enroll eligible children and their families had not been done in Wisconsin prior to BadgerCare Plus.

Low income adults without dependent children at the same income levels did not have any access to public programs or affordable coverage until phase two of BadgerCare Plus was implemented in January 2009.

Similar to the higher income children and families, a new benefit plan was designed for this population offering vital primary and preventive care, including coverage of prescription drugs.

In spite of pressing budget problems, Governor Doyle is committed to maintaining and, to the extent feasible, expanding basic health care coverage for all low-income Wisconsin residents. His leadership on this issue during extraordinarily tough economic times, when numerous other states are capping enrollment in health programs or even cutting health care services for disadvantaged populations in an effort to reduce budget deficits, makes Wisconsin a national leader in health care reform. In addition, Wisconsin has taken a more long-term view, i.e., providing individuals with access to primary care now will prevent more expensive treatments later, and will continue to seek innovative approaches to making basic, affordable health care a reality for all Wisconsin residents.

*14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)*

Development and implementation of BadgerCare Plus required limited start-up funds. All development work was absorbed by existing staff. Programming changes were absorbed in the existing contract. Approximately \$50,000 was spent on new marketing materials to brand BadgerCare Plus as health insurance for all children. This amount also included travel costs for staff to train community partners to assist with recruitment and enrollment.

*15. What are the program's annual operational costs?*

Wisconsin Medicaid has one of the lowest administrative rates in the nation for health care programs at less than 4.5%. An estimated \$110 million is spent annually to administer BadgerCare Plus. This amount includes contracts with third parties (e.g., county staff to determine eligibility); systems costs (e.g., eligibility processing, Medicaid Management Information System, etc.); and personnel costs. The amount does not include benefits or administrative costs for the health maintenance organizations.

*16. How is the program funded?*

BadgerCare Plus phase one (coverage for children and families) is funded by Medicaid, CHIP, Healthy Start, and state general revenue funds. Phase two funding for the CMS 1115 Demonstration Waiver to cover childless adults is re-directed from federal disproportionate share hospital payments and a federal State Health Access Program grant.

*17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.*

Yes. Wis. Stat. 49.471 and Wis. Stat. 20.435

*18. What equipment, technology and software are used to operate and administer this program?*

Three systems support operations and administration of BadgerCare Plus.

1. Client Assistance for Re-Employment & Economic Support (CARES)—Both mainframe application and web-based CARES WorkerWeb—Wisconsin's automated system for administering federal public assistance programs (eligibility/enrollment systems and interface for income maintenance workers).
2. ACCESS—a public-facing web application that allows citizens to apply for a variety of public benefits (citizen application), including BadgerCare Plus and FoodShare (Wisconsin's Supplemental Nutrition Assistance Program); benefits maintenance capabilities, and other functions, e.g., "Am I Eligible?"
3. ForwardHealth interChange—Wisconsin's Medicaid Management Information System (MMIS) is used to support all business functions for administration of the Medicaid Program, including BadgerCare Plus, and other DHS health programs such as the Family Planning Waiver.

19. *To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.*

Yes; Governor Jim Doyle, 115 East State Capitol, Madison, WI 53702; 608.266.1212; fax: 608.267.8933, with assistance from Jason Helgerson, 1 West Wilson Street, Room 350, Madison, WI 53703; 608.267.9466; fax: 608.266.1096; [Jason.Helgerson@wi.gov](mailto:Jason.Helgerson@wi.gov).

20. *Are you aware of similar programs in other states? If YES, which ones and how does this program differ?*

All states have Medicaid, CHIP, and Healthy Start programs. Several states also have small programs for childless adults, e.g., Maine, Massachusetts, Minnesota, New York, Oregon, Pennsylvania, and Washington (Kaiser Family Foundation 2004). Wisconsin's BadgerCare Plus for children and families and low-income adults differs in that it:

- provides coverage for all kids regardless of income with those at higher income levels paying full price
- is one program (versus three separate and distinct programs in the majority of states), i.e., seamless coverage across all programs for children and families
- has a simplified application process, including the ability to apply on-line for all BadgerCare Plus members and one set of program rules for children and family coverage
- provides coverage for parents and relative caregivers (up to 200% of the federal poverty level) which research suggests is critical to enrolling children
- has partnerships with more than 200 community based organizations that assist in identifying low-income children, families, and adults and helping them enroll in the program
- has proven success with more than half of all enrolled children being those who would have been eligible under the prior rules
- has proven successful in reducing churning among the child and family population
- has significantly increased coverage to a previously uninsured group (childless adults)
- includes a robust pay-for-performance initiative to hold health plans accountable for results
- includes a mandatory health needs assessment completed at time of application and a mandatory physical exam within twelve months of enrollment for all childless adult members
- utilizes a Clinical Advisory Committee on Health and Emerging Technology to advise the Secretary of the Department on benefits to include in the package for childless adults

21. *Has the program been fully implemented? If NO, what actions remain to be taken?*

Yes, BadgerCare Plus was fully implemented as of June 2009.

22. *Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.*

The success of phase one of BadgerCare Plus is evidenced by the number of individuals enrolled: as of February 28, 2010, more than 696,092 children, parents/caregivers, and pregnant women had access to affordable health insurance. Preliminary data from the evaluation of Phase One (children and family coverage) indicates that children in lower income groups contributed more to increases in enrollment than did children of higher income levels: two-thirds of this increase was among children under 200% of the federal poverty level, and fully half (53%) were children who had been eligible for BadgerCare, Healthy Start, or family Medicaid (<185%). Other data indicates a slight decrease and a leveling-off in program exits following implementation along with a modest decrease in six-month churning (moving on and off of the program). These findings are attributed to the following:

- Concerted branding message ("all kids eligible")
- Whole family coverage by expanding eligibility for lower-income parents and caregivers
- Targeted auto-enrollment
- Expansion of income eligibility limits, with various coverage opportunities as income and enrollment fluctuates
- Relaxing of anti-crowd-out provisions for lower income applicants
- Relieving applicants of employer insurance verification requirements
- Aggressive outreach and enrollment strategy with community partners

In summary, preliminary findings indicate that incremental reforms—eligibility expansion and program simplification—within the Medicaid and CHIP programs can substantially increase program enrollment. Wisconsin has moved toward its goal of near-universal coverage even in the absence of comprehensive insurance market or health care industry reforms at the federal level.

Preliminary analysis of enrollment trends for phase two of BadgerCare Plus (coverage for childless adults) indicate that Wisconsin would have achieved its' goals of 98% access for this population if the recession had not occurred. However, for the childless adult population, success is evidenced by the 65,097 individuals that are currently enrolled in BadgerCare Plus and the 30,000 individuals currently on a waitlist due to budget neutrality provisions under the 1115 Demonstration Waiver. Wisconsin anticipates similar results highlighted above with this low-income population. One of the difficulties the state has experienced is trying to meet the health care needs of this population via an appropriate benefit package while maintaining budget neutrality. The Clinical Advisory Committee on Health and Emerging Technology was established to help address this critical issue.

*23. How has the program grown and/or changed since its inception?*

In December 2007, a total of 483,919 children, parents, and pregnant women were enrolled in family Medicaid, CHIP, and Healthy Start. Two years following implementation of BadgerCare Plus (in February 2008), more than 696,000 children, parents/caregivers, and pregnant women were enrolled and have access to comprehensive, quality health care.

In December 2008, only about 13,000 low-income adults without dependent children in their home were enrolled in local general medical assistance programs. The majority of these programs only provided catastrophic coverage and/or coverage for urgent care, including emergency room visits and urgent hospitalizations. As of February 2010, more than 65,000 childless adults now have access to affordable primary and preventive care with another 30,000 potential eligibles currently on a waitlist.

*24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?*

The most pressing obstacle that other states will encounter is how to finance basic health care coverage given the drastic constraints on state budgets.

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## 2010 Innovations Awards Application Program Categories and Subcategories

Use these as guidelines to determine the appropriate Program Category for your state's submission and list that program category on page one of this application. Choose only one.

### *Infrastructure and Economic Development*

- Business/Commerce
- Economic Development
- Transportation

### *Government Operations and Technology*

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- Information Systems
- Public Information
- Revenue
- Telecommunications

### *Health & Human Services*

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- Children & Families
- Health Services
- Housing
- Human Services

### *Human Resources/Education*

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- Management
- Personnel
- Training and Development
- Workforce Development

### *Natural Resources*

- Agriculture
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- Environmental Protection
- Natural Resources
- Parks & Recreation
- Water Resources

### *Public Safety/Corrections*

- Corrections
- Courts
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- Drugs
- Emergency Management
- Public Safety

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