



The League of Women Voters of Dane County, Inc.

General Meeting and Public Forum

Topic:

Healthcare Reform and Wisconsin

Speakers:

Dr. Robert Kraig, Executive Director,
Citizen Action of Wisconsin

and

Karen Timberlake, Secretary,
Wisconsin Department of Health Services

When:

Wednesday, February 3, 2009, 7 p.m.

Where:

The Capitol Lakes Grand Hall
333 West Main Street in Downtown Madison
Free Parking in Ramp Available Across the Street

LWVDC Health Care Committee:

Carol Dutton [Convener], Gloria Meyer, Pam Rewey, and Lois Sater

Listing of Study Materials:

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Discussion Questions:

1. What is not included in the federal legislation that you would like to see?
2. Do you think the federal legislation will improve health care in Wisconsin?
3. What changes should be made in the current state programs?
4. What role should the state play in supplementing the federal plan?



Healthcare Reform and Wisconsin

Introduction

“The Impact of the new Federal Health Care Legislation on Wisconsin” seemed to be a good topic for our February program when we selected it last June. At this moment it is questionable whether the final legislation will have passed and been signed into law by the President prior to our meeting. In the meantime, Wisconsin has been taking steps toward healthcare reform at the state level. Our February program will provide an up-to-date look at the status of the federal legislation as well as an opportunity to learn about the current status of health care in Wisconsin.

A brief comparison of the House and Senate bills is provided. More detailed comparisons of the bills may be found at the Washington Post’s website <http://www.washingtonpost.com/wp-srv/special/nation/health/compare-health-plans-> and the Kaiser Foundation’s website at <http://www.kff.org/healthreform/sidebyside.cfm>. If updated information becomes available prior to our meeting on February 3rd, it will be posted on our website <http://www.lwvdanecounty.org/> and/or available at the meeting.

While progress in Washington has been slow, the Wisconsin State Journal reports (December 29, 2009): http://host.madison.com/ct/news/local/health_med_fit/article_9976b390-1a00-50da-80d9-0545dfaa0ca8.html

This year Wisconsin has cemented a national reputation for being the Little State That Could when it comes to enacting innovative programs to cover the uninsured. Despite the lousy economy and gridlock in Washington, state officials keep chugging ahead with plans to expand the BadgerCare public insurance programs to childless adults. State officials are [funding this new Core Plan](#) with an ingenious shuffle of federal, Medicaid, state and county dollars, federal stimulus money, and a new assessment levied on hospitals. But the program was so deluged by applicants it was forced to freeze enrollment at around 50,000 to 60,000 a few months after opening this summer, leaving 20,000-plus on the wait-list. “It was like the Oklahoma land rush,” says Bobby Peterson, director of ABC for Health.

Recently state officials, lead by the intrepid duo Health Secretary Karen Timberlake and Medicaid Programs Director Jason Helgeson, have proposed a [bold but risky Basic Plan or insurance pool](#) for those stuck on the wait list. Advocates have some gripes with the public programs — chief among them, the concern that the [Core plan may violate federal law](#) by not providing adequate mental health and substance abuse coverage. But they applaud the Doyle administration for not giving up when it comes to climbing toward the governor’s goal of providing insurance for 98 percent of the state population. “I’ve got to hand it to them,” says Peterson. “They have shown a lot of courage.”

An overview of the major programs administered by the Wisconsin Department of Health Services was provided to us by the department. Health insurance reform in Wisconsin is also addressed in an article published by the U. S. Department of Health and Human Services.



State of Wisconsin Department of Health Services

Jim Doyle, Governor

Karen E. Timberlake, Secretary

Program Overviews

BADGERCARE+

Since its inception in 2008, BadgerCare Plus has enrolled 264,000 Wisconsin residents (122,000 of whom are children). BadgerCare Plus currently has three benefit plans all of which cover doctor visits, hospital care, and some prescription drugs.

Children and Families – Standard

This program is for children, parents and caretaker relatives, youths aging out of foster care and pregnant women with incomes up to 200% of the Federal Poverty Level. There are currently 185,794 members enrolled in the BadgerCare Plus Standard Plan.

Children and Families – Benchmark

This program is for children and pregnant women with incomes above 200% of the Federal Poverty Level, certain self-employed parents. There are currently 14,418 members enrolled in the BadgerCare Plus Benchmark Plan.

Adults With No Dependent Children – Core Plan

This program is for adult residents with incomes up to 200% of the Federal Poverty Level who have no access to health insurance through their current jobs and have not had health insurance in the past 12 months. There are currently 63,644 members enrolled in the BadgerCare Plus Core Plan.

Family Planning Waiver

This plan provides certain family planning services to women ages 15 through 44. The purpose of this plan is to stop unplanned pregnancies and sexually transmitted diseases (STDs). There are 47,000 women enrolled in the Family Planning Waiver.



More than 86,000 Wisconsin Seniors depend on SeniorCare for affordable access to potentially life saving medications. Access to these drugs under SeniorCare keeps individuals healthier and saves Wisconsin and many Seniors money. SeniorCare, a superior benefit to Part D from a health policy perspective, has a simplified

enrollment process, a \$30 annual enrollment fee, income based deductible, and \$5 to \$15 co-payments. The annual federal cost per enrollee for this program of \$649.82 in State Fiscal Year 09 is significantly lower than the average Part D beneficiary cost of \$1,885 in 2009.

Protecting and promoting the health and safety of the people of Wisconsin DHS Program

Family Care combines funding and benefits for social services and health care including home and community supports for elders and people with disabilities as well as nursing home and related Medicaid benefits. The program was designed to provide cost-effective, comprehensive and flexible long-term care that will foster consumers' independence and quality of life, while recognizing the need for interdependence and support. In addition to Family Care, we also offer Family Care Partnership, a program that combines Medicare and Medicaid funding and benefits for both acute and long-term care services. Partnership is particularly valuable for individuals with complex health care needs and disabilities. As of October 1, 2009, Family Care is available in 48 counties in Wisconsin and has enrolled 29,000 people.

FoodShare Wisconsin was created to help stop hunger and to improve nutrition and health. FoodShare helps people with limited money buy the food they need for good health. Each month, an average of 590,000 people across Wisconsin get help from FoodShare. They are people of all ages who have a job but have low incomes, are living on small or fixed income, have lost their job, retired or are disabled and not able to work. The program is Wisconsin's version of the USDA SNAP program.

WIC

The purpose of the Special Supplemental Nutrition Program for Women, Infants and Children (WIC) is to promote and maintain the health and well-being of nutritionally at-risk pregnant, breastfeeding and postpartum women, infants and children. WIC provides supplemental nutritious foods, nutrition and breastfeeding information, and referral to other health and nutrition services. WIC promotes and supports breastfeeding. WIC benefits can be used at many retailers including farmer's markets. Enrollment is at an all time high with 130,000 people enrolled in the program.

Wisconsin Well Women Program

The Wisconsin Well Woman Program (WWWP) provides preventive health screening services to women with little or no health insurance coverage. Well Woman pays for mammograms, Pap tests, certain other health screenings, and multiple sclerosis testing for women with high-risk signs of multiple sclerosis. There is no premium or deductible or co-payment for the program. A Well Woman client who is diagnosed with breast or cervical cancer as the result of a WWWP screening may be eligible to enroll in Well Woman Medicaid. Well Woman Medicaid covers the cost of breast and cervical cancer treatment. Through December 2009 there were more than 600 people receiving benefits through Well Woman Medicaid.

Health Insurance Reform and Wisconsin: The Case for Change

From Healthreform.gov

This is an official U.S. Government Web site managed by the [U.S. Department of Health & Human Services](#).

The health care status quo is not an option for our states. If we do nothing, by 2019 the number of uninsured people will grow by more than 30 percent in 29 states and by at least 10 percent in every state. The amount of uncompensated care provided will more than double in 45 states. Businesses in 27 states will see their premiums more than double. And fewer people will have coverage through an employer.¹ The time for health insurance reform is now.

Under reform in Wisconsin:

- 541,000 residents who do not currently have insurance and 320,000 residents who have nongroup insurance could get affordable coverage through the health insurance exchange.
- 358,000 residents could qualify for premium tax credits to help them purchase health coverage.
- 871,000 seniors would receive free preventive services.
- 155,000 seniors would have their brand-name drug costs in the Medicare Part D “doughnut hole” halved.
- 77,400 small businesses could be helped by a small business tax credit to make premiums more affordable.

Health Insurance Reform Provides Early Relief and Health Security.

Proposals implemented in 2010 and 2011 will produce *real benefits* for:

- **Families:** The 5.6 million residents of Wisconsin will benefit as reform:
 - **Ensures consumer protections in the insurance market.** Insurance companies will no longer be able to place lifetime limits on the coverage they provide, use of annual limits will be restricted, and they will not be able to arbitrarily drop coverage.
 - **Creates immediate options for people who can't get insurance today.** 7 percent of people in Wisconsin have diabetes², and 26 percent have high blood pressure³ – two conditions that insurance companies could use as a reason to deny health insurance coverage. Reform will establish a high-risk pool to enable people who cannot get insurance today to find an affordable health plan.
 - **Ensures free preventive services.** 33 percent of Wisconsin residents have not had a colorectal cancer screening, and 21 percent of women over 50 have not had a mammogram in the past two years.⁴ Health insurance reform will ensure that people can access preventive services for free through their health plans. It will also invest in a prevention and public health fund to encourage prevention and wellness programs.
 - **Supports health coverage for early retirees.** An estimated 71,600 people from Wisconsin have early retiree coverage through their former employers, but early retiree coverage has eroded over time.⁵ A reinsurance program would stabilize early retiree coverage and provide premium relief to both early retirees and the workers in the firms that provide their health benefits. This could save families up to \$1,200 on premiums.

- **Seniors:** Wisconsin's 871,000 Medicare beneficiaries⁶ will benefit as reform:
 - **Lowers premiums by reducing Medicare's overpayments to private plans.** All Medicare beneficiaries pay the price of excessive overpayments through higher premiums – even the 74 percent of seniors in Wisconsin who are not enrolled in a Medicare Advantage plan.⁷ A typical couple in traditional Medicare will pay nearly \$90 in additional Medicare premiums next year to subsidize these private plans.⁸ Health insurance reform clamps down on these excessive payments.
 - **Reduces prescription drug spending.** Roughly 155,000 Medicare beneficiaries in Wisconsin hit the “doughnut hole,” or gap in Medicare Part D drug coverage that can cost some seniors an average of \$4,080 per year.⁹ Reform legislation will provide a 50 percent discount for brand-name drugs in this coverage gap.
 - **Covers free preventive services.** Currently, seniors in Medicare must pay part of the cost of many preventive services on their own. For a colonoscopy that costs \$692, this means that a senior must pay \$162¹⁰ – a price that can be prohibitively expensive. Under reform, a senior will not pay anything for that colonoscopy, or for any other recommended preventive service. A senior will also get free annual wellness visits to his or her provider, with a personalized prevention plan to remain in good health.
- **Small businesses:** While small businesses make up 76 percent of Wisconsin's businesses, only 38 percent of them offered health coverage benefits in 2008.¹¹ 77,400 small businesses in Wisconsin could be helped by a small businesses tax credit proposal that makes premiums more affordable.¹² And these small businesses would be exempt from any employer responsibility provisions.
- **States:** State budgets will be relieved from rising health care costs as reform:
 - **Reduces state employee premiums.** Coverage would immediately be expanded to the uninsured, decreasing the amount of uncompensated care costs that gets shifted to the premiums of state employees. For states that provide early retiree health benefits to their state employees, a reinsurance program would provide premium relief of up to \$1,200 per family policy per year for all employees.
 - **Reduces uncompensated care.** Right now, providers in Wisconsin lose \$876 million in uncompensated care each year,¹³ which states subsidize at least in part. Instead, under reform, uncompensated care would begin to be reduced immediately as more uninsured people gain coverage.

Health Insurance Reform Provides Stability, Security, and Choice.

- **Provides relief from rising health care costs.**
 - **Ends the “hidden tax”.** The \$876 million spent on uncompensated care in Wisconsin often gets passed along to families in the form of a hidden premium “tax”.¹⁴ By expanding coverage to the uninsured, health insurance reform will eliminate this burden on people who already have insurance.
 - **Provides premium tax credits.** Without reform, individuals and families in Wisconsin will spend increasing amounts of money out-of-pocket to cover premiums, deductibles, and co-payments, from \$7.0 billion today to up to \$12.1 billion in 2019.¹⁵ Through health insurance reform, 358,000 Wisconsin residents could be eligible for premium credits to ease the burden of these high costs.¹⁶

- **Promotes health insurance portability and choice.** Health insurance reform establishes a health insurance exchange that will provide individuals with a wide variety of choices and ensure that they will always have coverage, whether they change jobs, lose a job, move or get sick.
 - Currently 541,000 residents of Wisconsin do not have health insurance, and if nothing is done, by 2019 this population could swell to 738,000. The exchange will help the uninsured to obtain needed coverage and will also help the 320,000 Wisconsin residents who currently purchase insurance in the individual insurance market to get quality coverage at an affordable price.¹⁷
- **Supports long- term home and community based services:** It is estimated that 65 percent of those who are 65 today will spend some time at home in need of long-term care services,¹⁸ which typically cost almost \$18,000 per year.¹⁹ This means that 408,000 older residents of Wisconsin who are aged 55 to 64 today will need home health services after they turn 65²⁰ – services that are not always covered by Medicare, Medicaid, or private health insurance.
 - Health insurance reform will create a new voluntary long-term care services insurance program, which will provide a cash benefit to help seniors and people with disabilities obtain services and supports that will enable them to remain in their homes and communities.
 - Reform will encourage states to expand their home and community based services through Medicaid by providing enhanced funding, and it will create a program to provide community support services for disabled Medicaid enrollees who would otherwise need to be in a nursing home. These programs could help improve care for many of the 140,000 disabled Medicaid beneficiaries in Wisconsin.²¹

Health Insurance Reform Improves Quality and Reforms the Delivery System.

- **Reduces preventable readmissions.** The current health care system does not place enough emphasis on improving quality of care. For example, nearly 20 percent of Medicare patients who are discharged from the hospital end up being readmitted within 30 days.²² For Wisconsin, that's 42,900 readmissions each year which could potentially be prevented with improved care coordination.²³ Health insurance reform will invest in innovations in primary care and will provide financial incentives to hospitals to better coordinate care at discharge to avoid preventable readmissions.
- **Lessens Paperwork.** Physicians spend on average about 140 hours and \$68,000 a year just dealing with health insurance bureaucracy.²⁴ For the 17,311 physicians in Wisconsin, this adds up to 2.4 million hours and \$1.2 billion in costs.²⁵ By simplifying and standardizing paperwork and computerizing medical records, doctors will be able to focus on caring for their patients instead of dealing with bureaucracy.
- **Incentivizes primary care.** Roughly 7,000 doctors in Wisconsin practice primary care and would qualify for a new 5 to 10 percent payment bonus under health insurance reform.²⁶
- **Invests in the health care workforce.** Approximately 607,000 people, or 11 percent of Wisconsin's population, cannot access a primary care provider due to shortages in their communities.²⁷ Health insurance reform will expand and improve programs to increase the number of health care providers, including doctors, nurses, and dentists, especially in rural and other underserved areas.

[See Web site for footnote information.]

SOURCE: Staff reports, Congressional Budget Office, AP, U.S. Senate, familiesusa.org ALEC MACGILLIS, KAREN YOURISH AND LAURA STANTON/THE WASHINGTON POST.

Health-care reform: How the proposals stack up

With the Senate about to pass its health-care bill, several contentious differences remain between its version and the House bill. The Senate is expected to prevail on jettisoning the “public option,” leaving House Democrats hopeful they will win on other points, including efforts to make coverage more affordable.

Key provisions	HOUSE BILL	SENATE BILL
Government-Run insurance	YES. Creates a public insurance option. Providers would negotiate reimbursement rates with the government .	NO. Instead of a public option, the final bill would allow private firms for the first time to offer national insurance policies to all Americans across state lines. Those plans would be negotiated through the Office of Personnel Management, the same agency that handles health coverage for federal workers and members of Congress.
Employer Mandate	YES. Employers must pay 65 percent of family premiums or pay a penalty based on payroll. Small businesses with less than \$500,000 in payroll are exempt.	NO. Does not require employers to offer health insurance. However, if even one employee of a firm with more than 50 employees receives a subsidy through the new exchanges, the firm would face a fine equal to \$750 for every person on its payroll .
Exchanges	YES. Sets up a single nationwide exchange , in which people without employer-based coverage will buy insurance	YES. Sets up 50 exchanges , administered by the states.
Abortion restrictions	YES. Bans abortion from being covered in the public option or in any of the exchange’s private plans that take subsidized customers, who will make up 85 percent of the exchange. The exchange can offer separate “riders” for abortion coverage.	YES. The new insurance exchanges can offer plans that cover abortion, but people who choose those plans must pay for their coverage with separate checks — one for abortion coverage, one for the rest of their health-care services.
Medicaid expansion	YES. Medicaid expanded to cover households earning less than 150 percent of the federal poverty level, or \$33,075 for a family of four.	YES. Medicaid expanded to cover everyone earning less than 133 percent of the federal poverty level, or \$29,327 for a family of four.
How it’s paid for	Would be financed through billions in Medicare cuts and new taxes , including a surcharge on taxpayers who earn more than \$500,000 a year, or \$1 million a year for families.	Would also be financed through billions in Medicare cuts and new taxes, including an excise tax on insurance plans that are worth more than \$23,000 for a family of four. Couples making more than \$250,000 would pay additional Medicare taxes.
Medicare Costs	No new independent Medicare commission , leaving it to Congress and the existing advisory panel to set rates.	Creates a new independent commission to set policies and rates for Medicare.
Subsidies	YES. Subsidies are more generous than in the Senate bill at the lower end of the income ladder , with families paying a smaller percentage of their income.	YES. Subsidies are more generous than in the House bill for families making 250 percent to 400 percent of the poverty level , with families paying a smaller percentage of their income.