



Lisa Olson, Medicaid Director
State of Wisconsin, Department of Health Services
1 West Wilson Street, Rm 350
Madison, WI 53701-0309

Dear Ms Olson:

Thank you for the opportunity to share our comments on the extension of Wisconsin's BadgerCare 1115 demonstration project waiver.

For over a century, Kids Forward – a private, non-partisan, non-profit – has advocated for effective, long-lasting solutions that break down barriers to success for children and families, notably children and families of color and those furthest from opportunity. Through research, policy analysis, public education, community engagement, and advocacy, we strive toward a Wisconsin where every child and community thrives.

As an organization that works to help increase access to health insurance for low-income families and individuals, we know Wisconsin should adopt full Medicaid expansion for adults up to 138 percent of the federal poverty level. Adopting full expansion would do far more to improve access to affordable health insurance for low-wage workers, while yielding significant savings in state tax dollars. However, we recognize this would require direct legislative authorization.

Instead, the state is seeking to extend a waiver which expands BadgerCare coverage to adults up to 100 percent of the federal poverty level. While we acknowledge that the waiver expands coverage, we have serious concerns with elements included in the proposed extension to the BadgerCare 1115 Demonstration Project. The state is proposing unprecedented changes targeted at individuals with incomes below the poverty line. These changes will mean increased cost sharing, greater complexity, and more administrative barriers - hurdles that will increase churn, exacerbate existing racial disparities, and force more people to go uninsured. These changes also likely fail to meet the requirements for section 1115 waivers.

Due in part to long-term, systemic employment and economic discrimination, Black, Indigenous, and Latinx people have higher rates of unemployment and under-employment than white people and are more likely to have lower paying jobs that do not offer health coverage. As a result, Black, Indigenous, and Latinx people are more likely to be covered by BadgerCare, despite the fact that the majority of people covered by BadgerCare are white. A 2021 [report](#) from the Office of Management and Budget found that barriers making it harder for people to access public benefits, such as BadgerCare, worsen inequity. Because they would increase administrative burden and lead to more people losing coverage despite remaining eligible, several of the proposed waiver elements would likely have a disproportionate impact on Black, Indigenous, and Latinx residents.

We also recognize that current state law significantly restricts the WI Department of Health Services administrative flexibility or discretion to modify the waiver in response to public comments. As such, Kids Forward intends to submit more robust comments directly to the Centers for Medicare and Medicaid Services that objects to these policies, explains our rationale, and advises CMS to reject them.

Lastly, we acknowledge and appreciate CMS's decision to rescind authorization of an eligibility time limit that was suspended as long as certain covered adults met a work-verification requirement.

Regardless, we are including a summary of our specific waiver policy concerns. We will encourage CMS to reject the following provisions because they will have inequitable impacts and are inconsistent with the objectives of the Medicaid program:

- Monthly premiums (including a six-month lockout for nonpayment) and emergency department cost-sharing requirements pose barriers to health coverage and care
 - Requiring payment of premiums will likely result in the denial of and interruption in health care services to adults in Wisconsin who are most in need of them. While the premium being proposed may seem nominal, past experience has shown that even small fees can pose a significant logistical hardship-especially for those who are income constrained or lack access to credit cards and bank accounts. According to an *FDIC National [Survey of Unbanked and Underbanked Households](#)*, published in 2019, Black, Latino, and Native American, and lower income households were more likely to be unbanked, meaning they did not have access to a bank account. Further, numerous studies have shown that increased cost-sharing requirements for very low income households lead to coverage loss.
 - The extension also requests the authority to require a copay for emergency department (ED) utilization, if it is determined to be non-emergent, at \$8 for each visit. This proposal is not an appropriate use of waiver authority based on the criteria defined under sections 1916(f)(3),(4) and (5) of the Social Security Act, and is outside the scope of section 1115 waivers. It will also increase complexity for both patients and providers because providers will need to inform patients that the care they will provide will require additional fees. They will also need to maintain and furnish lists of other providers who accept Medicaid and could provide care without the additional copay.
- Health Risk Assessments (HRAs) aren't likely to improve health outcomes and add administrative complexity
 - Refusal to complete the HRA would result in a beneficiary being denied premium reductions through the Healthy Behavior Incentive program. Research is mixed on whether these health behavior programs improve health. The few studies that have evaluated the effectiveness of these incentives in the Medicaid program have found the participants are more likely to participate in short-term or one-time activities with immediate pay out of incentives versus those designed to encourage permanent lifestyle changes.

- It is important for patients and providers to collect baseline data around health risks and encourage healthy behaviors; however, it is unlikely that Wisconsin will incentivize healthy behaviors by requiring that patients complete HRAs to qualify for reductions in their monthly premiums.
- Requiring beneficiaries respond to a substance use treatment needs question increases barriers to care, plays into false stereotypes, and increases stigma
 - Numerous studies have indicated that being a recipient of public benefits does not constitute a sound basis for suspicion of drug use. While this isn't a drug test, requiring a response to this question as a condition of eligibility sends a clear, albeit unfounded, message of suspicion. It also requires a beneficiary to potentially disclose their substance use history to a nonmedical professional, prior to their enrollment. It is not clear whether this process will violate substance abuse and confidentiality rules in 42 CFR Part 2 established by SAMHSA.

Access to health care benefits everyone in our communities, from those struggling with addiction to employers in need of healthy workers. Wisconsin's BadgerCare program has helped over 150,000 childless adults access crucial preventative and behavioral health care services.

The stated statutory purpose of Medicaid is “to enable states to furnish medical assistance to individuals whose incomes and resources are insufficient to meet the costs of necessary medical care and to furnish such assistance and services to help these individuals attain and retain the capacity for independence and self-care.”

Several provisions in Wisconsin's waiver proposal do not promote the objectives of the Medicaid program and only serve to derail the progress Wisconsin has made in improving access to important health care services for some of the poorest people in our communities who are struggling daily to meet their families' needs. Therefore, we will recommend that CMS reject several waiver elements in their current form on the grounds that they are inconsistent with the Medicaid program's stated goals and do not meet the research or demonstration value requirement for section 1115 waivers.

Please contact me at wparkesutherland@kidsforward.org if you have any questions or would like more information about any of our concerns.

Sincerely,

William Parke-Sutherland,
Senior Health Policy Analyst
Kids Forward