



State of Wisconsin
2017 - 2018 LEGISLATURE

LRB-3785/1
SWB:wlj

2017 ASSEMBLY BILL 449

July 25, 2017 - Introduced by Representatives GENRICH, CROWLEY, GOYKE, MASON, HEBL, ANDERSON, BROSTOFF, BILLINGS, C. TAYLOR, POPE, KOLSTE, SUBECK, SARGENT, CONSIDINE, BERCEAU, WACHS, OHNSTAD, RIEMER, SHANKLAND, VRUWINK and ZEPNICK, cosponsored by Senators JOHNSON, HANSEN, RISSER, RINGHAND, LARSON, CARPENTER, MILLER and VINEHOUT. Referred to Committee on Insurance.

- 1 **AN ACT to create** 49.471 (4m) of the statutes; **relating to:** BadgerCare Plus and
2 assistance for childless adults demonstration project purchase options.

Analysis by the Legislative Reference Bureau

This bill requires the Department of Health Services to request a waiver or submit amendments to the state Medical Assistance plan to permit certain individuals whose income is greater than the income eligibility limit for the BadgerCare Plus program or the assistance for childless adults demonstration project to purchase coverage through these programs through a separate purchase option. The bill also requires DHS to include a request to allow an option for small businesses to purchase coverage under these programs for their employees.

Currently, DHS administers the Medical Assistance program, which is a joint federal and state program that provides health services to individuals who have limited financial resources. Some services are provided through programs that operate under a waiver of federal Medicaid laws, including services provided through the BadgerCare Plus program and the childless adults demonstration project. Under current law, certain parents and caretaker relatives with incomes of not more than 100 percent of the federal poverty line, before a 5 percent income disregard is applied, are eligible for BadgerCare Plus benefits. Under current law, childless adults who 1) are under age 65; 2) have family incomes that do not exceed 100 percent of the FPL, before a 5 percent income disregard is applied; and 3) are not otherwise eligible for Medical Assistance, including BadgerCare Plus, are eligible for benefits under the assistance for childless adults demonstration project.

This bill requires DHS to request a waiver from or submit amendments to the state Medical Assistance plan to the secretary of the federal Department of Health

ASSEMBLY BILL 449

and Human Services that would allow individuals whose income is greater than the eligibility limit for the BadgerCare Plus or the childless adults demonstration project, but who otherwise meet the eligibility requirements, to purchase coverage through a separate purchase option program that meets criteria specified in the bill. The bill also requires DHS to include a request for any federal waiver or state plan amendments necessary to allow an option for small businesses to purchase coverage for their employees as part of the Small Business Health Options Program through an exchange established under federal law. Under the bill, DHS must submit a report providing information on the status on the progress of receiving a federal waiver and the results from actuarial and economic analyses that are necessary for a waiver proposal. If any necessary waiver or state plan amendments are approved, DHS must implement the program.

Under the bill, DHS must also seek any federal waiver and state Medical Assistance plan amendments necessary to allow qualified individuals who choose to purchase the BadgerCare Plus option or the childless adults demonstration project option to use advanced tax credits and cost-sharing credits, if eligible, to purchase one of these options. If DHS is authorized to implement the program, and if 1) any waiver or state plan amendment is necessary and is approved or 2) DHS determines neither a waiver nor state plan amendment is necessary, DHS shall allow the use of advanced tax credits and cost-sharing credits to purchase the BadgerCare Plus option or the childless adults demonstration project option.

For further information see the *state* fiscal estimate, which will be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 49.471 (4m) of the statutes is created to read:
2 49.471 (4m) PURCHASE OPTIONS FOR BADGERCARE PLUS AND THE ASSISTANCE FOR
3 CHILDLESS ADULTS DEMONSTRATION PROJECT. (a) 1. The department shall, if required,
4 request a waiver from or submit amendments to the state Medical Assistance plan
5 to the secretary of the federal department of health and human services to establish
6 a program that allows individuals with income above the maximum income
7 eligibility limit applicable under this section or the assistance for childless adults
8 demonstration project under s. 49.45 (23), and who otherwise meet the eligibility
9 requirements under this section or under s. 49.45 (23), the option of purchasing
10 coverage through this section or through the demonstration project under s. 49.45

ASSEMBLY BILL 449

1 (23) instead of purchasing an individual health plan through private insurance. The
2 department shall also include a request for any federal waiver or state Medical
3 Assistance plan amendments necessary to allow an option for small businesses to
4 purchase coverage for their employees under this section as part of the small
5 business health options program through an exchange under 42 USC 18031.

6 2. The department shall seek any federal waiver and state Medical Assistance
7 plan amendments necessary to allow individuals who qualify under subd. 1. to use
8 advanced tax credits and cost-sharing credits, if eligible, to purchase one of the
9 options described under subd. 1.

10 (b) 1. The department shall coordinate the administration of the purchase
11 options under this subsection with the programs under this section and s. 49.45 (23)
12 to maximize efficiency and improve the continuity of care, consistent with the
13 requirements of this section and s. 49.45 (23). The department shall seek to
14 implement mechanisms to ensure the long-term financial sustainability of the
15 programs under this section and s. 49.45 (23). These mechanisms must address
16 issues related to minimizing adverse selection, the state financial risk and
17 contribution, and negative impacts to premiums in the individual and group
18 insurance markets.

19 2. The purchase option program shall include, at a minimum, all of the
20 following attributes:

21 a. Establishment of an annual per enrollee premium rate similar to the average
22 rate paid by the state to managed care plan contractors.

23 b. Establishment of a benefit set equal to the benefits covered under this section
24 and s. 49.45 (23).

ASSEMBLY BILL 449**SECTION 1**

1 c. Annual enrollment that is limited to the same annual open enrollment
2 periods established for the programs under this section and s. 49.45 (23).

3 d. The ability for the department to adjust the purchase option's actuarial value
4 to a value no lower than 87 percent.

5 e. Reimbursement mechanisms for addressing potential increased costs to the
6 programs under this section and s. 49.45 (23).

7 (c) By March 1, 2018, the department of health services shall submit a report
8 to the appropriate standing committee in each house of the legislature under s.
9 13.172 (3) that provides information on the status of the request for a federal waiver
10 and the results from actuarial and economic analyses that are necessary for a waiver
11 proposal.

12 (d) If any necessary waiver or amendments to the state plan described under
13 par. (a) 1. are approved, the department shall implement the program. If the
14 department is authorized to implement the program, and if any waiver or state plan
15 amendment described under par. (a) 2. is necessary and is approved, or if the
16 department determines neither a waiver nor state plan amendment is necessary, the
17 department shall allow the purchase options described under par. (a) 2.

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(END)