

Fiscal Estimate - 2023 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 23-2665/1	Introduction Number SB-0245	
Description disenrollment of ineligible individuals from and redeterminations of eligibility for the BadgerCare Plus program and database confirmation for public assistance program eligibility		
Fiscal Effect State: <input type="checkbox"/> No State Fiscal Effect <input checked="" type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input checked="" type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory 5. Types of Local Government Units Affected <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input checked="" type="checkbox"/> GPR <input checked="" type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS s. 20.435(4)(a), (bm), (bn), (n), (nn), and (pa)		
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Fiscal Estimate Narratives

DHS 4/20/2023

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Description disenrollment of ineligible individuals from and redeterminations of eligibility for the BadgerCare Plus program and database confirmation for public assistance program eligibility					

Assumptions Used in Arriving at Fiscal Estimate

This proposal seeks to require eligibility redeterminations for BadgerCare Plus members every 6 months as opposed to every 12 months as provided under state and federal law. Specifically, under this proposal, DHS would be required to seek a federal waiver from the Centers for Medicare & Medicaid Services (CMS) to waive 42 CFR 435.916(a)(1) of the federal code which provides that “the eligibility of Medicaid beneficiaries whose financial eligibility is determined using MAGI-based income must be renewed once every 12 months, and no more frequently than once every 12 months.”

If CMS were to grant such a waiver request, DHS and its county and tribal partners would incur significant costs under this proposal.

The Client Assistance for Re-employment and Economic Support (CARES) system would need to be modified to allow biannual eligibility redeterminations for BadgerCare Plus members. The one-time cost of this project is estimated at \$2,257,200 all funds (\$225,700 GPR and \$2,031,500 FED, assuming that CMS would approve this project for a 90% federal match).

This estimate uses random moment sampling statistics used by DHS for federal claiming on eligibility determinations from calendar year 2019 (CY19) because that was the last year before the continuous enrollment policy was implemented in response to the SARS-CoV-2 pandemic. This reliance on data from CY19 is based on the assumption that after the unwinding of the continuous enrollment policy, BadgerCare Plus enrollment as a percentage of total income maintenance (IM) enrollment will return to pre-pandemic levels.

In CY19, BadgerCare Plus accounted for 27% of time and activity at Milwaukee Enrollment Services (MiES). This represents the work that would double by requiring eligibility redeterminations every 6 months. Also, in CY19, the adjusted federal Medicaid percentage (FMAP) for BadgerCare Plus related activity at MiES was 55%. The current total annual cost of MiES is \$45,528,900 (SFY22 actual costs plus the impact of the 2% general wage adjustment that went into effect in January 2023). 27% of \$45,528,900 is \$12,292,800 all funds (\$5,531,800 GPR and \$6,761,000 FED). MiES has 462 FTEs. 27% of 462 FTEs is 125 FTEs.

In CY19, BadgerCare Plus accounted for 38% of time and activity at IM consortia, and the adjusted FMAP for BadgerCare Plus related consortia activity was 69%. Separate statistics for tribal IM agencies are not readily available. Based on CY21 consortia expenses, total consortia and tribal IM agency costs are estimated at \$116,631,000 all funds. 38% of \$116,631,000 is \$44,319,800 all funds (\$13,739,100 GPR and \$30,580,700 FED).

There are other likely costs which are indeterminate at this time, such as the impact of additional churn on the Medicaid Management Information System (MMIS), likelihood of an increased incidence of uncompensated care at Wisconsin emergency rooms, and additional reliance on contract staff to support DHS's state staff.

To summarize, the known one-time costs are estimated at \$2,257,200 all funds (\$225,700 GPR and \$2,031,500 FED), and the known annual, ongoing costs are estimated at \$56,612,600 all funds (\$19,270,900 GPR and \$37,341,700 FED) and an increase of 125 FTEs.

Long-Range Fiscal Implications