



2015 SENATE BILL 174

May 21, 2015 - Introduced by Senators ERPENBACH, SHILLING, CARPENTER, BEWLEY, HANSEN, C. LARSON, MILLER, RINGHAND, L. TAYLOR, VINEHOUT, WIRCH, HARRIS DODD, LASSA and RISSER, cosponsored by Representatives RIEMER, KOLSTE, BARCA, BARNES, BERCEAU, BILLINGS, BROSTOFF, CONSIDINE, DANOU, GENRICH, GOYKE, HEBL, HESSELBEIN, HINTZ, JOHNSON, KAHL, MASON, MILROY, OHNSTAD, POPE, SARGENT, SHANKLAND, SINICKI, SPREITZER, STUCK, SUBECK, WACHS, YOUNG and ZAMARRIPA. Referred to Committee on Health and Human Services.

1 **AN ACT to amend** 49.45 (23) (a) and 49.471 (4) (a) 4. b.; and **to create** 49.471 (1)
2 (cr) and 49.471 (4g) of the statutes; **relating to:** Medicaid expansion and
3 eligibility for BadgerCare Plus and BadgerCare Plus Core.

Analysis by the Legislative Reference Bureau

Currently, the Department of Health Services (DHS) administers the Medical Assistance (MA) 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 (BC+) and BadgerCare Plus Core (BC+ Core) programs.

Under current law, certain parents and caretaker relatives with incomes of not more than 100 percent of the federal poverty line (FPL), before a 5 percent income disregard is applied, are eligible for BC+ benefits. Under current law, adults who are under age 65, who have family incomes that do not exceed 100 percent of the FPL, before a 5 percent income disregard is applied, and who are not otherwise eligible for MA, including BC+ (childless adults), are eligible for benefits under BC+ Core.

This bill changes the family income eligibility level to up to 133 percent of the FPL for parents and caretaker relatives under BC+ and for childless adults under BC+ Core. The federal Patient Protection and Affordable Care Act allows a state to receive an enhanced federal medical assistance percentage (FMAP) payment for providing benefits to certain individuals through a state's MA program. The bill requires DHS to comply with all federal requirements and to request any

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amendment to the state MA plan, waiver of Medicaid law, or other federal approval necessary to qualify for the highest available enhanced FMAP for parents and caretaker relatives and childless adults eligible for BC+ Core (collectively nonpregnant, nonelderly adults). If DHS does not qualify for the enhanced FMAP or if the FMAP is reduced, DHS is required to submit to the Joint Committee on Finance (JCF) a fiscal analysis comparing the cost of covering nonpregnant, nonelderly adults under the MA program at up to 133 percent of the FPL to the cost of limiting income eligibility to those adults to up to 100 percent of the FPL. DHS may reduce income eligibility levels for nonpregnant, nonelderly adults to up to 100 percent of the FPL only if JCF approves.

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.** 49.45 (23) (a) of the statutes is amended to read:

2 49.45 (23) (a) The department shall request a waiver from the secretary of the
3 federal department of health and human services to permit the department to
4 conduct a demonstration project to provide health care coverage to adults who are
5 under the age of 65, who have family incomes not to exceed ~~100~~ 133 percent of the
6 poverty line ~~before application of the 5 percent income disregard under 42 CFR~~
7 ~~435.603 (d), except as provided in s. 49.471 (4g),~~ and who are not otherwise eligible
8 for medical assistance under this subchapter, the Badger Care health care program
9 under s. 49.665, or Medicare under 42 USC 1395 et seq.

10 **SECTION 2.** 49.471 (1) (cr) of the statutes is created to read:

11 49.471 (1) (cr) “Enhanced federal medical assistance percentage” means a
12 federal medical assistance percentage described under 42 USC 1396d (y) or (z).

13 **SECTION 3.** 49.471 (4) (a) 4. b. of the statutes is amended to read:

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1 49.471 (4) (a) 4. b. ~~The Except as provided in sub. (4g), the individual's family~~
2 income does not exceed ~~100~~ 133 percent of the poverty line ~~before application of the~~
3 ~~5 percent income disregard under 42 CFR 435.603 (d).~~

4 **SECTION 4.** 49.471 (4g) of the statutes is created to read:

5 49.471 (4g) MEDICAID EXPANSION; FEDERAL MEDICAL ASSISTANCE PERCENTAGE. (a)
6 For services provided to individuals described under sub. (4) (a) 4. and s. 49.45 (23),
7 the department shall comply with all federal requirements to qualify for the highest
8 available enhanced federal medical assistance percentage. The department shall
9 submit any amendment to the state medical assistance plan, request for a waiver of
10 federal Medicaid law, or other approval required by the federal government to
11 provide services to the individuals described under sub. (4) (a) 4. and s. 49.45 (23) and
12 qualify for the highest available enhanced federal medical assistance percentage.

13 (b) If the department does not qualify for an enhanced federal medical
14 assistance percentage, or if the enhanced federal medical assistance percentage
15 obtained by the department is lower than printed in federal law as of July 1, 2013,
16 for individuals eligible under sub. (4) (a) 4. or s. 49.45 (23), the department shall
17 submit to the joint committee on finance a fiscal analysis comparing the cost to
18 maintain coverage for adults who are not pregnant and not elderly at up to 133
19 percent of the poverty line to the cost of limiting eligibility to those adults with family
20 incomes up to 100 percent of the poverty line. The department may reduce income
21 eligibility for adults who are not pregnant and not elderly from up to 133 percent of
22 the poverty line to up to 100 percent of the poverty line only if this reduction in income
23 eligibility levels is approved by the joint committee on finance.

24 **SECTION 5. Fiscal changes.**

SENATE BILL 174**SECTION 5**

1 (1) MEDICAID EXPANSION. In the schedule under section 20.005 (3) of the statutes
2 for the appropriation to the department of health services under section 20.435 (4)
3 (b) of the statutes, as affected by the acts of 2015, the dollar amount for fiscal year
4 2015–16 is decreased by \$108,200,000 to provide Medical Assistance to certain
5 adults with incomes up to 133 percent of the federal poverty line. In the schedule
6 under section 20.005 (3) of the statutes for the appropriation to the department of
7 health services under section 20.435 (4) (b) of the statutes, as affected by the acts of
8 2015, the dollar amount for fiscal year 2016–17 is decreased by \$236,900,000 to
9 provide Medical Assistance to certain adults with incomes up to 133 percent of the
10 federal poverty line.

SECTION 6. Effective date.

11 (1) MEDICAID EXPANSION. This act takes effect on January 1, 2016, or on the day
12 after publication, whichever is later.
13

14 **(END)**