

Fiscal Estimate — 2001 Session

- Original Updated
 Corrected Supplemental

LRB Number - 1949/1	Amendment Number if Applicable
Bill Number SB 18	Administrative Rule Number

Subject
 BadgerCare Funding

Fiscal Effect

State: No State Fiscal Effect

Check columns below only if bill makes a direct appropriation or affects a sum sufficient appropriation.

- Increase Existing Appropriation Increase Existing Revenues
 Decrease Existing Appropriation Decrease Existing Revenues
 Create New Appropriation

Increase Costs — May be possible to absorb within agency's budget.

- Yes No

Decrease Costs

Local: No Local Government Costs

- | | |
|--|---|
| 1. <input type="checkbox"/> Increase Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 3. <input type="checkbox"/> Increase Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |
| 2. <input type="checkbox"/> Decrease Costs
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory | 4. <input type="checkbox"/> Decrease Revenues
<input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory |

5. Types of Local Governmental Units Affected:

- Towns Villages Cities
 Counties Others
 School Districts WTCS Districts

Fund Sources Affected

- GPR FED PRO PRS SEG SEG-S

Affected Chapter 20 Appropriations

20.435 (4) (be), 20.435 (8) (mb)

Assumptions Used in Arriving at Fiscal Estimate

BadgerCare is a health insurance program for uninsured low-income families. BadgerCare began in July 1999. Uninsured families with dependent children who are not eligible for medical assistance (MA) qualify for coverage under BadgerCare if the family's income is below 185% of the federal poverty level (FPL). Families who begin participating in the program when the family's income is less than 185% of the FPL remain eligible for the program until the family's income exceeds 200% of the FPL. This bill appropriates an additional \$13,542,500 GPR for the Badger Care program in FY 01. The bill also requires that \$11,237,100 of certain unanticipated federal moneys received under the federal Medicare, federal Medical assistance, and federal foster care and adoption assistance programs (income augmentation moneys) lapse to the general fund.

BadgerCare enrollment as of December 2000 was 74,500. Enrollment has been higher than the level projected by the legislature, with the result that there is a projected shortfall of budgeted funds in FY01. Under the Department's most recent estimate (completed January 18, 2001), the Department estimates that the additional funding needed in FY01 for BadgerCare is \$12,236,300 GPR, \$17,958,700 FED and an increase in spending authority for premium revenues of \$286,900 PR. This takes account of the federal waiver approved on January 18, 2000 enabling the Department to get a more favorable federal matching rate for adults enrolled in BadgerCare.

In addition, the Department estimates that in FY 01 an additional \$1,600,000 GPR and \$2,307,100 FED is needed in its MA benefits appropriations to fully fund increased rates provided to Health Maintenance Organizations (HMOs) for providing services to MA recipients of the Healthy Start/Pregnant Women (HSPW) Medicaid benefit. The Department uses a single contract with HMOs that includes BadgerCare, HSPW, and AFDC/Family Medicaid. As part of the negotiations involving CY 2000 BadgerCare rates, the CY 2000 capitation rates for HSPW were increase due to a re-basing of HSPW Fee-For-Service equivalent costs (FFSE) based on a new methodology for determining the FFSE. The new methodology resulted in a higher FFSE and justified a 12% provider rate increase for the HSPW Medicaid benefit.

Long-Range Fiscal Implications

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Fiscal Estimate Worksheet — 2001 Session
 Detailed Estimate of Annual Fiscal Effect

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One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):

Annualized Costs:	Annualized Fiscal Impact on State Funds from:	
	Increased Costs	Decreased Costs
A. State Costs by Category		
State Operations — Salaries and Fringes	\$	\$ -
(FTE Position Changes)	(FTE)	(FTE)
State Operations — Other Costs		-
Local Assistance		-
Aids to Individuals or Organizations	34,389,000	-
Total State Costs by Category	\$ 34,389,000	\$ -
B. State Costs by Source of Funds		
GPR	\$ 13,836,300	\$ -
FED	20,265,800	-
PRO/PRS	286,900	-
SEG/SEG-S		-
State Revenues	Increased Revenue	Decreased Revenue
<small>Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)</small>		
GPR Taxes	\$	\$ -
GPR Earned	11,237,100	-
FED	20,265,800	- 11,237,100
PRO/PRS	286,900	-
SEG/SEG-S		-
Total State Revenues	\$	\$ -

Net Annualized Fiscal Impact

	State	Local
Net Change in Costs	\$ 34,389,000	\$
Net Change in Revenues	\$ 20,552,700	\$

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