



State of Wisconsin
2025 - 2026 LEGISLATURE

LRB-0480/P3
SWB:amn&skw

DOA:.....Bollhorst, BB0003 - Medicaid expansion

FOR 2025-2027 BUDGET -- NOT READY FOR INTRODUCTION

AN ACT ...; relating to: the budget.

Analysis by the Legislative Reference Bureau

HEALTH AND HUMAN SERVICES

MEDICAL ASSISTANCE

Medicaid expansion; elimination of childless adults demonstration project

BadgerCare Plus and BadgerCare Plus Core are programs under the state's Medical Assistance program, which provides health services to individuals who have limited financial resources. The federal Patient Protection and Affordable Care Act allows a state to receive an enhanced federal medical assistance percentage payment for providing benefits to certain individuals through a state's Medical Assistance program. This bill changes the family income eligibility level to up to 133 percent of the federal poverty line for parents and caretaker relatives under BadgerCare Plus and for childless adults currently covered under BadgerCare Plus Core and who are incorporated into BadgerCare Plus in the bill. The bill requires DHS to comply with all federal requirements and to request any amendment to the state Medical Assistance plan, waiver of Medicaid law, or other federal approval necessary to qualify for the highest available enhanced federal medical assistance percentage for childless adults under the BadgerCare Plus program.

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 federal poverty line, 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 BadgerCare Plus Core. The bill eliminates the childless adults demonstration project, known as BadgerCare Plus Core, as a separate program on July 1, 2025.

Current law, as created by [2017 Wisconsin Act 370](#), requires that DHS implement the BadgerCare Reform waiver as it relates to childless adults as approved by the federal Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS) effective October 31, 2018. The 2015-17 and 2017-19 biennial budget acts required DHS to submit a waiver request to the

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federal Department of Health and Human Services authorizing DHS to take certain actions, including imposing premiums on, requiring a health risk assessment of, and limiting the time of eligibility for recipients of BadgerCare Plus under the childless adults demonstration project waiver. Act 370 required DHS to implement the childless adults BadgerCare Reform waiver by no later than November 1, 2019. If JCF determines that DHS has not complied with the implementation deadline, has not made sufficient progress in implementing the BadgerCare Reform waiver, or has not complied with other requirements relating to approved waiver implementation, Act 370 allows JCF to reduce from moneys allocated for state operations or administrative functions DHS's appropriation or expenditure authority, whichever is applicable, or change the authorized level of full-time equivalent positions for DHS related to the Medical Assistance program. In April 2021, CMS withdrew approval of the community engagement requirements that had previously been approved in the October 31, 2018, BadgerCare Reform waiver. The 2018 waiver was set to expire December 31, 2023, but CMS approved a temporary extension to December 31, 2024. As part of the approval of that extension, CMS removed authority for certain elements of the demonstration project, including disenrollment lockout periods, monthly premiums, health behavior assessments, health risk assessments, and the requirement for beneficiaries to answer questions about substance use treatment needs in order to remain eligible. On October 29, 2024, CMS approved the DHS's request for an extension of the BadgerCare Reform waiver through December 31, 2029, subject to the same limitations set forth in the 2023 temporary extension.

The bill eliminates the statutory implementation requirement for the BadgerCare Reform waiver, including the deadline and penalties, eliminates the statutory requirement for DHS to seek the waiver, and allows DHS to modify or withdraw the waiver.

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:

SECTION 1. 20.435 (4) (jw) of the statutes is amended to read:

20.435 (4) (jw) *BadgerCare Plus and hospital assessment.* All ~~moneys received from payment of enrollment fees under the program under s. 49.45 (23), all~~ moneys transferred under s. 50.38 (9), all moneys transferred under s. 256.23 (6), all moneys transferred from the appropriation account under par. (jz), and 10 percent of all moneys received from penalty assessments under s. 49.471 (9) (c), ~~for~~

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~~administration of the program under s. 49.45 (23),~~ to provide a portion of the state share of administrative costs for the BadgerCare Plus Medical Assistance program under s. 49.471, for administration of the hospital assessment under s. 50.38, and for administration of the ambulance service provider fee under s. 256.23.

SECTION 2. 49.45 (2p) of the statutes is repealed.

SECTION 3. 49.45 (23) of the statutes is repealed.

SECTION 4. 49.45 (23b) of the statutes is repealed.

****NOTE: This is reconciled s. 49.45 (23b). This SECTION has been affected by drafts with the following LRB numbers: -0480/P2 and -2047/P2.

SECTION 5. 49.471 (1) (cr) of the statutes is created to read:

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

SECTION 6. 49.471 (4) (a) 4. b. of the statutes is amended to read:

49.471 (4) (a) 4. b. The individual’s family income does not exceed ~~100~~ 133 percent of the poverty line ~~before application of the 5 percent income disregard~~ under ~~42 CFR 435.603 (d)~~.

SECTION 7. 49.471 (4) (a) 8. of the statutes is created to read:

49.471 (4) (a) 8. An individual who meets all of the following criteria:

- a. The individual is an adult under the age of 65.
- b. The adult has a family income that does not exceed 133 percent of the poverty line, except as provided in sub. (4g).
- c. The adult is not otherwise eligible for the Medical Assistance program under this subchapter or the Medicare program under [42 USC 1395](#) et seq.

SECTION 8. 49.471 (4g) of the statutes is created to read:

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

****NOTE: This is reconciled SECTION 49.471 (4g). This SECTION has been affected by drafts with the following LRB numbers: -0480/P2 and -2047/P2.

SECTION 9. 49.686 (3) (d) of the statutes is amended to read:

49.686 (3) (d) Has applied for coverage under and has been denied eligibility for medical assistance within 12 months prior to application for reimbursement under sub. (2). This paragraph does not apply to an individual ~~who is eligible for benefits under the demonstration project for childless adults under s. 49.45 (23) or to an individual~~ who is eligible for benefits under BadgerCare Plus under s. 49.471 (4) (a) 8. or (11).

SECTION 10. 2017 Wisconsin Act 370, section 44 (2) and (3) are repealed.

****NOTE: This is reconciled 2017 Wisconsin Act 370, section 44 (3). This SECTION has been affected by drafts with the following LRB numbers: -0480/P2 and -2047/P2.

SECTION 9119. Nonstatutory provisions; Health Services.

(1) CHILDLESS ADULTS DEMONSTRATION PROJECT. The department of health services shall submit any necessary request to the federal department of health and human services for a state plan amendment or waiver of federal Medicaid law or to modify or withdraw from any waiver of federal Medicaid law relating to the

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childless adults demonstration project under s. 49.45 (23), 2023 stats., to reflect the incorporation of recipients of Medical Assistance under the demonstration project into the BadgerCare Plus program under s. 49.471 and the termination of the demonstration project. The department of health services may submit a request to the federal department of health and human services to modify or withdraw from the waiver granted under s. 49.45 (23) (g), 2023 stats.

****NOTE: This is reconciled SECTION 9119 (1). This SECTION has been affected by drafts with the following LRB numbers: -0480/P2 and -2047/P2.

SECTION 9419. Effective dates; Health Services.

(1) MEDICAID EXPANSION. The treatment of ss. 20.435 (4) (jw), 49.45 (23) and (23b), 49.471 (1) (cr), (4) (a) 4. b. and 8., and (4g), and 49.686 (3) (d) and SECTION 9119 (1) of this act take effect on July 1, 2025.

(END)