



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873  
Email: [fiscal.bureau@legis.wisconsin.gov](mailto:fiscal.bureau@legis.wisconsin.gov) • Website: <http://legis.wisconsin.gov/lfb>

---

June, 2023

Joint Committee on Finance

Paper #410

### **SeniorCare Reestimate (Health Services -- Medical Assistance -- Eligibility and Benefits)**

[LFB 2023-25 Budget Summary: Page 256, #30]

---

#### **CURRENT LAW**

Wisconsin's SeniorCare program assists eligible seniors with prescription medication costs. State residents who are age 65 or older, who are not eligible for full Medicaid benefits, and who meet income requirements are eligible for benefits under the program. SeniorCare participants must pay a \$30 annual enrollment fee, which supports costs the Department of Health Services (DHS) incurs to administer the program. Once someone is enrolled, their receipt of benefits depends upon meeting deductible and copayment requirements. The deductible, if any, is based on the annual income level of the enrollee, as follows: (a) no deductible applies for people with an annual income below 160% of the federal poverty level (FPL); (b) a \$500 deductible applies for people with an annual income between 160% and 200% of the FPL; and (c) a \$850 deductible applies for people with an annual income between 200% and 240% of the FPL.

People with incomes above 240% of the FPL may enroll in the program, but will not be eligible for benefits until they 'spend down' their income below the 240% threshold. This means that enrollees must incur expenses for prescription drugs within a year that equal the difference between their annual income and 240% of the FPL. After meeting that requirement, people in the spend-down category must still meet the \$850 deductible.

After satisfying any applicable deductible and spend-down, all enrollees make copayments of \$5 for generic medications and \$15 for brand name medications, while the SeniorCare program pays all other medication costs.

SeniorCare benefits are funded with a combination of state general purpose revenue (GPR), federal Medicaid matching funds (FED), and program revenue (PR) from rebates received from drug manufacturers that participate in the program. Base funding for program benefit expenditures is \$133,343,400 (\$17,971,900 GPR, \$17,738,300 FED, and \$97,633,200 PR) per year.

## MODIFICATION

Provide \$5,489,500 (\$6,605,100 GPR, \$1,828,800 FED, and -\$2,944,400 PR) in 2023-24 and \$16,958,800 (\$5,477,800 GPR, \$4,167,200 FED, and \$7,313,800 PR) to reflect a reestimate of SeniorCare benefit costs.

**Explanation:** The estimate included in Assembly Bill 43 and Senate Bill 70 was based on program enrollment and costs through December, 2022. It also reflected a temporary five percentage point increase to the federal matching rate that would have applied in conjunction with full Medicaid expansion as proposed under the bill. Full Medicaid expansion was removed by the Committee under Motion #10, and this reestimate accounts for the resulting increase in GPR costs and decrease in the federal share. In addition, this reestimate reflects updated enrollment, per-member costs, and rebate rates through April, 2022. Enrollment is slightly higher than projected under AB 43/SB 70, but per-member costs are lower, creating a net reduction in total funding. The share of costs covered by rebates (PR) is slightly lower than previously projected, increasing GPR and FED costs. Relative to the funding provided under AB 43/SB 70, this reestimate reduces funding by \$2,002,300 (\$6,229,900 GPR, -\$1,797,400 FED, and -\$6,434,800 PR) in 2023-24 and reduces funding by \$2,310,200 (\$3,542,800 GPR, -\$981,600 FED, and -\$4,871,400 PR) in 2024-25.

| Change to Base |                  |
|----------------|------------------|
| GPR            | \$12,082,900     |
| FED            | 5,996,000        |
| PR             | <u>4,369,400</u> |
| Total          | \$22,448,300     |

Prepared by: Carl Plant