

# United States Senate

WASHINGTON, DC 20510

COMMITTEES:  
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BUDGET

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ON AGING

COMMITTEE ON HOMELAND SECURITY  
AND GOVERNMENTAL AFFAIRS

March 17, 2014

The Honorable Scott Walker  
Governor of Wisconsin  
115 East Capitol  
Madison, WI 53702

Dear Governor Walker:

I am writing to request an update on your efforts to transition 77,000 Wisconsinites from the BadgerCare coverage they can currently enjoy to coverage through the Affordable Care Act's Health Insurance Marketplace. Under your plan, these Wisconsin families will lose their BadgerCare coverage at the end of March, with the hope that they have successfully obtained Marketplace coverage. This plan is a key part of your promise to use Medicaid and the Affordable Care Act Marketplace to cut Wisconsin's uninsured rate in half. With Open Enrollment ending on March 31, now is the time to provide a public report on transition efforts.

As you know, I believe that you took our state taxpayers down a fiscally irresponsible path by adopting your plan instead of accepting a federal investment to strengthen BadgerCare. The state Legislative Fiscal Bureau has concluded that your plan covers fewer people at a higher cost to Wisconsin taxpayers.<sup>1</sup> In addition, according to the Congressional Budget Office, the path you have chosen will come at a higher cost to the federal government.<sup>2</sup> Your plan also kicks vulnerable individuals off their current care. However, now that you have received federal approval for your proposal, and there is no signal that you will adopt different policies, I am hoping for successful implementation of your transition plan so that Wisconsinites losing BadgerCare remain insured and do not experience a lapse in health coverage.

In order to help maintain continuity of coverage, the federal government built in terms and conditions to its approval of your plan.<sup>3</sup> The State has agreed to these terms.<sup>4</sup> It is critical that you hold up your end of the bargain and abide by these federal terms and conditions so that more Wisconsin families make a seamless transition and receive the Marketplace coverage they deserve.

One important condition of federal approval was that the State would continue to work with the Centers for Medicare & Medicaid Services (CMS) to establish mechanisms for tracking

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<sup>1</sup> Legislative Fiscal Bureau

<sup>2</sup> In July 2012, the Congressional Budget Office (CBO) released a report that estimates that, by 2022, the average annual cost to the federal government per Medicaid enrollee will be \$6,000, while the cost for providing subsidies to an analogous exchange enrollee will be \$9,000. CBO attributes this difference primarily to Marketplace plans' higher health care provider reimbursement rates and administrative costs.

<sup>3</sup> December 30, 2013 letter from CMS Administrator Marilynn Tavenner to Wisconsin Medicaid Director Brett Davis

<sup>4</sup> January 9, 2014 letter from Wisconsin Department of Health Services Director Kitty Rhoades to CMS

the 77,000 individuals who were forced to transition from BadgerCare coverage to Marketplace coverage.<sup>5</sup> Tracking this transition is critical to ensuring low-income Wisconsinites don't fall through the cracks and lose access to vital health coverage. However, your Administration has failed to provide any reporting on this matter to date. Though we have received statistics from CMS on total Wisconsin Marketplace enrollments through February, we have not seen any breakdown on the number of those individuals who transitioned to Marketplace coverage from BadgerCare. According to the terms of your CMS waiver approval, the State should have been working to track such individuals.

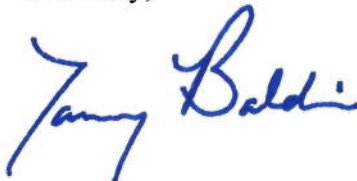
With just two weeks before Open Enrollment ends, I am requesting that you immediately provide a report on the status of the transition these 77,000 people have to make from BadgerCare to the federal Marketplace.

A second important condition of the CMS approval was that the State would communicate constructively with all BadgerCare applicants.<sup>6</sup> This includes much needed and effective outreach to all childless adults living in poverty who can't access BadgerCare until April 1, 2014 because of your decision and the State Legislature's action to postpone their coverage. These vulnerable Wisconsinites have fallen into a coverage gap since January 1, 2014. According to the CMS waiver, the State must explain the delay in coverage to individuals falling in the coverage gap. Constructive communication also includes the State developing written and telephone messages for BadgerCare applicants who currently qualify for BadgerCare coverage but will be kicked off BadgerCare at the end of March. Results of these communications are to be recorded and reported. Therefore, I also am requesting an update on communication efforts to those vulnerable Wisconsinites who have been awaiting BadgerCare coverage since January, and those soon to be kicked off coverage at the end of March. Likewise, I ask that you ramp up these communication and outreach efforts in order to ensure that as many Wisconsin families as possible remain covered.

If you keep your word and abide by the public reporting and constituent communications requirements in the CMS approval, it will be a positive step in keeping your promise to cut Wisconsin's uninsured rate in half. If, on the other hand, you do not keep your word, our state will have far more uninsured individuals than we should at the beginning of April.

I look forward to receiving your updates. As always, I am happy to work together to ensure that Wisconsin families receive the quality, affordable health coverage they deserve.

Sincerely,

A handwritten signature in blue ink that reads "Tammy Baldwin". The signature is written in a cursive, flowing style.

Tammy Baldwin  
United States Senator

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<sup>5</sup> December 20, 2013 letter from CMS to Wisconsin Medicaid Director Brett Davis

<sup>6</sup> December 20, 2013 letter from CMS to Wisconsin Medicaid Director Brett Davis