

## Appendix G. Expansion through an 1115 Waiver in Wisconsin

BadgerCare is Wisconsin's Medicaid expansion and SCHIP program that provides coverage to low-income families. Phase I was implemented on April 1, 1999, through a Medicaid expansion that utilized Title XXI funds to provide coverage to children 15-18 years old. Phase II was implemented July 1, 1999, using a Medicaid Section 1115(a) waiver and provides coverage to children up to 18 not covered by Medicaid and their parents or caretakers up to 185 percent of FPL. Parents are covered using Title XIX funds and children are covered using Title XXI funds.<sup>1</sup>

Wisconsin was quite strategic in the enactment of its BadgerCare program. The program is run through a Section 1115 waiver instead of Section 1931. A similar program could have been enacted through 1931, but the 1115 waiver allowed the state to impose premiums on individuals who earn more than 150 percent of the FPL.<sup>2</sup> For example, families with incomes above 150 percent of FPL pay a premium, which at the most is 3 percent of their incomes. The waiver also enables the state to limit the eligibility of those in this income range who have access to affordable employer-based insurance.

The state has also implemented a premium assistance program under Title XXI, which enables it to receive the enhanced federal match to cover families when it is cost-effective to do so. When it is not cost-effective under Title XXI, the state attempts to enroll families in the HIPD program using the Title XIX cost-effectiveness test.<sup>3</sup>

A final point of interest in BadgerCare is the built-in safety net for the state. If the state feels that expenditures for the program are getting too large, BadgerCare can decrease its expansion efforts by decreasing the required poverty level for benefits. If they do utilize this option, it would affect only future enrollees; families already enrolled in BadgerCare would continue to receive benefits regardless of whether they meet the new standard.<sup>4</sup>

<sup>1</sup> Jeremy Alberga, *Wisconsin's BadgerCare Program Offers Innovative Approach for Family Coverage* (Washington, D.C.: Academy for Health Systems Research and Health Policy, January 2001), p. 7.

<sup>2</sup> Jocelyn Guyer and Cindy Mann, *A New Opportunity to Provide Health Care Coverage for New York's Low-Income Families* (Washington, D.C.: The Commonwealth Fund, 1999), p. 13.

<sup>3</sup> Alberga, *Wisconsin's BadgerCare Program Offers Innovative Approach for Family Coverage*, p. 4.

<sup>4</sup> Guyer and Mann, *A New Opportunity to Provide Health Care Coverage for New York's Low-Income Families*, p. 13.

