

CO-SPONSORSHIP MEMORANDUM

TO: Members of the Wisconsin State Legislature

**FROM: Representative Penterman
Senator Stafsholt**

DATE: Wednesday April 5th 2023

RE: Co-Sponsorship of LRB 2171/1 relating to disenrollment of ineligible individuals from and redeterminations of eligibility for the BadgerCare Plus program and database confirmation for public assistance program eligibility.

DEADLINE: FRIDAY APRIL 7th AT 12:00 PM

According to the Centers for Medicare and Medicaid Services, improper payments under the Medicaid (MA) program are estimated at \$85 billion annually. This issue has only gotten worse as enrollment has expanded due to the effects of COVID-19. During the recent pandemic, the federal government adopted enhanced reimbursements for each state's MA program. States were prohibited from removing existing participants in their MA program in return for these additional resources. This has led to countless ineligible individuals remaining on the MA program.

With this in mind, LRB 2171 would make needed changes to our BadgerCare Plus program to help protect valuable taxpayer resources. The bill prohibits the automatic renewal of benefits for BadgerCare Plus recipients. It would require eligibility to be redetermined every six months, if approved by the federal government, and would require information to be cross referenced between state agencies that collect financial data related to public assistance programs. DHS would be required under the bill to promptly remove all ineligible individuals. In addition, individuals that fail to report to DHS any change that may affect their eligibility under BadgerCare Plus would be removed from the program for six months.

Analysis by the Legislative Reference Bureau:

This bill makes various changes to eligibility determinations for public assistance programs and, specifically, the BadgerCare Plus program. Currently, the Department of Health Services administers the Medical Assistance program, a joint federal and state program that provides health services to individuals who have limited financial resources. Some services are provided through programs that operate under a waiver of federal Medicaid laws, including the BadgerCare Plus program. Under current law, certain children, pregnant women, parents and caretaker relatives, former foster care youth, and adults aged 19 to 64 who are not receiving Medicare and who do not have dependent children are eligible for benefits under the BadgerCare Plus program if they meet certain financial criteria.

The bill prohibits DHS from automatically renewing the eligibility of a recipient under the BadgerCare Plus program. DHS must determine an individual's eligibility every six months under the bill. DHS is also prohibited from using prepopulated forms or otherwise supplying information, except for name and address, to a recipient under the BadgerCare Plus program that has been supplied to DHS. Additionally, any recipient under the BadgerCare Plus program that fails to timely report to DHS or its designee any change that may affect eligibility is ineligible for benefits for six months from the date DHS discovers the failure to report the change. Under current law, knowingly concealing or failing to disclose any event

that an individual knows affects the initial or continued right to a Medical Assistance benefit is subject to a forfeiture of not less than \$100 nor more than \$15,000 for each concealment or failure.

The bill requires DHS to enter data sharing agreements with any agency that maintains a database of financial or personal information about residents of this state. DHS must confirm the information of an applicant for a public assistance program against the information contained in those databases. The bill also requires DHS to share data for this purpose of confirming eligibility for public assistance programs. Current law requires DHS and the Department of Children and Families to compare each department's respective databases against the databases of death records to identify deceased participants.

The bill requires DHS to promptly remove from eligibility for the BadgerCare Plus program any individual who enrolled in the program and who has been determined to be ineligible for the program. Under the federal Families First Coronavirus Act, during a federally declared public health emergency, a state may receive an enhanced amount of federal financial participation in its Medical Assistance program if the state complies with certain criteria, including refraining from disenrolling individuals from the program. Under the federal Consolidated Appropriation Act, 2023, enhanced federal financial participation ends for all states after December 31, 2023. Under the bill, if the disenrollment or any other part of the bill would cause the state not to qualify for enhanced federal financial participation under federal law, that portion of the bill that does not comply with federal law may not be implemented until January 1, 2024. During the period in which any portion of the bill is not implemented due to a conflict with federal law, DHS must audit BadgerCare Plus eligibility and report quarterly to the legislature the number of individuals who are ineligible for benefits under the BadgerCare Plus program but who are receiving benefits.

If DHS determines that it is necessary to obtain permission from the federal Department of Health and Human Services to implement any portion of this bill, the bill requires DHS to request any state plan amendment, waiver of federal law, or other federal approval to implement that portion of the bill.

For further information see the state fiscal estimate, which will be printed as an appendix to this bill.

If you have questions or would like to co-sponsor this bill, please reply to this email or contact Senator Stafsholt's office at 266-7745 or Representative Penterman's office at 237-9137 before 12:00 PM on Friday, April 7th 2023. Your name will be added to the Senate and Assembly version unless otherwise specified.