



WISCONSIN LEGISLATURE

P. O. Box 7882 Madison, WI 53707-7882

The Honorable Tony Evers
Governor, State of Wisconsin
Room 115 East, State Capitol
Delivered Electronically

May 25, 2021

Dear Governor Evers,

Republicans on the Joint Finance Committee voted to remove hundreds of divisive policy items from your budget proposal, including your request to expand the Medicaid program and increase the number of Wisconsinites on government assistance by over 90,000 people. Wisconsin provides quality, affordable coverage for all those who need it and expanding the program would simply lead to more people on a taxpayer funded government program and more expensive private plans for others.

Let's start with the facts. As you know, Medicaid is a \$10.6 billion state-run program which is jointly funded by the federal government and the State of Wisconsin. It has more than 1.1 million enrollees, providing government-run health care to roughly one in five people in the state. BadgerCare covers every Wisconsinite with an income under the federal poverty level (FPL) as well as children and pregnant women in households with incomes up to 300 percent of the FPL.

Once those thresholds have been reached, households with income between 100 percent and 400 percent of the FPL are eligible to receive heavily subsidized coverage through the federal health insurance exchanges. This means there is no gap in coverage between when someone is no longer eligible for BadgerCare and when they become eligible for federal subsidies for the insurance exchanges. Wisconsin is the only state that didn't expand Medicaid that has no such gap in coverage.

In February 2018, [2017 Wisconsin Act 138](#), the [Wisconsin Healthcare Stability Plan](#) became law with bipartisan support. This legislation directed the state to seek federal funding for the reinsurance program through a [1332 waiver](#). This waiver is available specifically to allow states to manage how the Affordable Care Act is implemented for their own residents. Reinsurance has resulted in lower premiums for eligible individuals since the program's inception. The program also led to more private insurance carriers remaining on the federal exchange, giving people more options for coverage.

By adding childless, working-aged adults earning up to 138 percent of the FPL to Medicaid, who are eligible for significant assistance on the federal exchange, state taxpayers would be responsible for covering some of the extra costs. However, when someone in that group enrolls on the exchanges using subsidies which are 100 percent federally funded, there is no cost passed on to state taxpayers.

Additionally, some the of items you proposed to be funded with the pot of reimbursement money from the federal government to expand Medicaid can already be paid for with the ARPA funds that are at your sole discretion to allocate. Will you finally be releasing your plan on funding those projects rather than using them as fodder for increasing welfare in Wisconsin?

Over the last decade, Republicans in the Legislature developed responsible budgets that funded Wisconsin's priorities while protecting taxpayers. Expanding Medicaid as you have proposed is unneeded and even reckless in a state that has no coverage gap and has an effective reinsurance program. We will continue to provide essential BadgerCare services to those who truly need it while protecting taxpayers and helping provide an environment that promotes a thriving economy for all of Wisconsin.

Sincerely,



Robin J Vos
Speaker of the Assembly



Devin LeMahieu
Senate Majority Leader



Mark Born
Assembly Co-Chair
Committee on Joint Finance



Howard Marklein
Senate Co-Chair
Committee on Joint Finance