

SUPPORTING INFORMATION

The non-partisan Legislative Fiscal Bureau (LFB)¹ compared costs for five Medicaid eligibility options under the Affordable Care Act. The budget is not based on an option that would insure the most people (# 4 or 5); it is actually based on the costliest option for Wisconsin taxpayers (#2).

In the Wisconsin budget, Medicaid eligibility is cut from 133% to 100% of the federal poverty line (FPL), so an adult earning more than \$11,490/year (not \$15,414 as in the Affordable Care Act) must pay the yearly premiums that start at \$228 per adult at the insurance exchanges. This cut is why federal grants to Wisconsin will not increase to 100% for three years, before tapering to 90%. As a result:

1. State taxpayers pay up to \$87 million per year more from mid 2014 to 2017: Instead of federal grants paying for Medicaid for childless adults, state taxpayers pay.
2. Low wage workers pay \$17 million per year more in exchange premiums: There are 75,800 people between 100% and 133% FPL who will not get Medicaid, many will struggle to pay, and end up uninsured.
3. Large employers pay \$24-36 million per year more of exchange penalties; as much as \$2-3,000 per worker, according to a Jackson-Hewitt national study.²

This yearly tab is up to \$140 million, through 2017. The share of these costs that will come out of the Racine County economy, based on population, comes to \$5 million a year; before considering the effects of less coverage. These include lost work days, more emergency care, less prevention, less mental health treatment, higher county caseloads, and more.

Wisconsin just fell to 44th among states in job creation,³ and it ranks 46th in federal funds brought home to state and local governments; both lowest among our neighbors.⁴ Minnesota, Michigan, Illinois, and Ohio will take the full Medicaid grants, and Indiana might. These states are conserving state resources for job creation, education, tax relief, and other priorities; while upgrading their health systems.

¹ http://legis.wisconsin.gov/lfb/publications/Miscellaneous/Documents/2013_02_15WILeg_EP_SA.pdf

² <http://scsbc.org/UserFiles/scsbc/Documents/Jackson%20Hewitt%20Study.pdf>

³ <http://www.jsonline.com/news/wisconsin/wisconsin-private-sector-job-creation-ranking-declines-799bcsa-200435291.html>

⁴ http://legis.wisconsin.gov/lrb/bb/11bb/Stats_Finance.pdf page 829.