

Evaluation of Wisconsin's BadgerCare Plus Health Care Coverage Program

Report #6

Has Wisconsin Achieved the Policy Goal of
98% Access to Health Insurance Coverage?

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Preface: BadgerCare Plus

Wisconsin's BadgerCare Plus (BC+) program was designed to ensure access to health insurance coverage to virtually all Wisconsin children and to bolster coverage for parents and other caretaker adults. The program, launched in February of 2008, expanded upon BadgerCare (Wisconsin's Children's Health Insurance Program) and Medicaid. Its reforms included eligibility expansions; simplification of eligibility rules and enrollment and verification processes; and an aggressive marketing and outreach campaign.

BadgerCare Plus eliminated the income eligibility ceiling for children. Coverage operates as a single program with two insurance products: the Standard Plan, for enrollees < 200% Federal Poverty Level (FPL), and the Benchmark Plan, for enrollees >200% FPL. The former is the traditional Medicaid plan and requires only minimal cost-sharing, while the latter is comprised of a more limited set of covered services and requires co-payments on non-preventive services, similar to private insurance policies.

The premium threshold for children was set at 150% FPL under BadgerCare and was raised to 200% FPL under BadgerCare Plus. Modest-income children (200-300% FPL) enrolled in the Benchmark Plan are subject to premium payments that increase with family income level; premiums start at \$10 per month and are capped at 5% of total monthly income. The families of higher-income children (> 300% FPL) are required to pay the full cost of coverage in the Benchmark Plan, which amounted to approximately \$100 per month in 2008.

In contrast to the 200% income threshold imposed for children, the sliding-scale premium begins at 150% FPL for parents and caretakers; again, with total family premium contributions capped at 5% of monthly income. BadgerCare Plus also includes caretaker relatives in its definition of parental eligibility.

Prior to the launch of BadgerCare Plus, anti-crowd-out provisions were applied in the BadgerCare program but not in the Medicaid program. Under BadgerCare Plus, applicants with incomes over 150% FPL are subject to anti-crowd-out provisions. With good-cause exceptions, these individuals face a three-month waiting period for dropped coverage and they cannot have been offered employer-sponsored insurance (ESI) during the past 12 months or have the opportunity to enroll in ESI during the upcoming 3 months. The employer must cover at least 80% of the premium for the crowd-out provisions to apply.

Study Purpose

To determine the percentage of Wisconsin residents with access to health insurance coverage, based on 2009 state health policy for coverage.

Summary of Findings

The U.S. Census' American Community Survey (ACS) 2008 data show that 93.9% of Wisconsin residents either reported health insurance coverage or were income-eligible for BadgerCare Plus (BC+) while reporting no insurance coverage. Of this group, 97% reported coverage, while the remainder met BC+ income-eligibility criteria but did not enroll. These individuals are presumed to have access to health insurance either via employer offer or through BC+.

Approximately 2.4% of individuals residing in Wisconsin, or 136,186 individuals, met the 2009 BC+ Core expansion income-eligibility requirements for coverage during 2008. This percentage does not consider the 65,000 enrollment cap, nor does it exclude individuals who met income requirements, but would be ineligible due to receipt of an employer-sponsored insurance offer.

To provide insight into the potential impact of the 2009 BC+ Core expansion, access to coverage is also computed including the BC+ Core income eligibility. Based on 2008 data, the expansion would increase the percentage of individuals in Wisconsin with access to coverage to 95.1%, assuming a 65,000 limit on enrollment in BC+ Core. In the absence of an enrollment cap, this percentage reaches 96.3%. The parent/caretaker definition applied in our methods differs from that used by the State in determining eligibility under BC+ programs. The implications of this limitation should be considered when interpreting the findings of this report.¹

Table 1 reports access rates by coverage category. Results vary only slightly when applying differing assumptions regarding noncitizens and the institutional group quarters population.

Table 1: Access to Insurance Coverage for Wisconsin Residents in 2008, Using Full ACS Sampleⁱ

Access Category	Percent	(95% Confidence Interval)	Population Value
1. Public/Private Insurance Coverage	91.1%	(0.9072, 0.9162)	5,131,447
2. Income Eligible for Coverage Under BC+	2.7%	(0.0248, 0.0305)	155,755
<i>Total Access: Covered, BC+ Income Eligible</i>	<i>93.9%</i>	<i>(0.9359, 0.9429)</i>	<i>5,287,202</i>
3.1 BC+ Core Income Eligible-Enrollment Cap, 2008 Data	1.1%		65,000
<i>Potential Impact BC+ Core on Access, with 65,000 Enrollment Cap</i>	<i>95.1%</i>		<i>5,352,202</i>
3.2 BC+ Core Income Eligible-No Cap, 2008 Data	2.4%	(0.0220, 0.0263)	136,186
<i>Potential Impact BC+ Core with No Enrollment Cap</i>	<i>96.3%</i>	<i>(0.9606, 0.9666)</i>	<i>5,423,388</i>
Base Population Estimate			5,627,968

i. Uninsured noncitizens for whom legal status cannot be inferred (see Methods) are counted under 'no access'; individuals residing in institutions are assigned access if uninsured. Truncation is used in the reporting of percentages and confidence intervals.

¹We assign adults to the parent/caregiver category if they belong to a household that includes at least one child; this method categorizes some adults who do not meet BC+ criteria as a parent/caretaker. In addition, we do not identify parents/caregivers who are eligible while children are absent from the household. See the BadgerCare + Eligibility Handbook for eligibility standards: <http://www.emhandbooks.wisconsin.gov/bcplus/bcplus.htm>.

Conclusion

- In 2008, 93.9% of Wisconsin residents either had coverage or access to health insurance.
- Based on 2008 data, and assuming our parent/caretaker identification roughly aligns with eligibility standards enforced by the State, approximately 95.1% of Wisconsin residents had access to health insurance coverage following implementation of the 2009 BadgerCare Plus Core expansion. If the Core Plan enrollment cap were not in place, the BadgerCare Plus Core program would have allowed Wisconsin to attain 96.3% access to coverage for residents.

It should be noted that BadgerCare Plus defines access to coverage only when at least 80% of the premium is covered by the employer. We do not know how many in private insurance policies offered by employers meet the 80% standard for access to health insurance.

Similarly, the ACS does not include information on individuals who received an offer of employer coverage, but turned this offer down. This is particularly important for our calculation of access among adults above 200% FPL. Adults above 200% FPL with access in the form of a forgone offer are counted as having no access. This is a limitation of our methods.

As well, the State offers the Basic Plan to persons on the Core Plan wait list, which allows eligible applicants to pay the full cost of the \$130 monthly premium for a more limited benefit package. The State considers access to the Basic Plan as equivalent to having no cap on the Core Plan and thus advancing its health insurance coverage goals. But if the goal requires access to coverage that meets the 80% standard, the Basic Plan enrollment would not qualify.

Beyond affordability, a broad range of reasons exist that keep various groups of people from becoming insured. A large literature explores these challenges.² That discussion is outside the scope of this paper.

Methods

Results are based on the 2009 release of the American Community Survey (ACS), which corresponds to data collected in 2008. This is the first year that the ACS collected data on health insurance coverage, which is now included as a point-in-time measure of coverage.

The ACS produces estimates of state-level insurance coverage, and due to its larger sample size, provides greater precision than the Current Population Survey.³

Rates of access to health insurance are computed using a set of methods designed to examine outcome sensitivity to baseline assumptions. The approach represents a comprehensive, yet

² See, most recently: Cunningham PJ. Who Are the Uninsured Eligible for Premium Subsidies in the Health Insurance Exchanges? [Center for Studying Health System Change](http://www.rwjf.org/files/research/71572.pdf). December 16, 2010.

Available at: <http://www.rwjf.org/files/research/71572.pdf>

³ Davern M, Quinn BC, Kenney GM, and Blewett LA. 2009. The American Community Survey and Health Insurance Coverage Estimates: Possibilities and Challenges for Health Policy Researchers. *Health Services Research* 44(2 Pt 1): 593-605.

reasonable framework to replicate in subsequent years. The following steps are taken in computing access to health insurance:

- (1) Baseline access is the percent of people reporting any health insurance coverage (category A1).
- (2) Secondary access is the percent of the ACS sample that meets 2008 Wisconsin BadgerCare Plus income eligibility criteria (200% FPL for parents), but does not report take up of insurance coverage. Individuals with an employer offer of affordable health insurance as defined by BadgerCare Plus rules are not excluded from this category, rather it is presumed that this category includes individuals with access to insurance either via an employer offer or BadgerCare Plus eligibility (A2).
- (3) The potential effect of BadgerCare Plus Core plan availability is provided by identifying the percent of the ACS sample that meets the 2009 BadgerCare Plus Core expansion eligibility criteria using 2008 data. This percent is first reported assuming the enrollment cap limits eligibility to 65,000 individuals (A3.1).⁴ Additionally, the corresponding percentage of Wisconsin residents with access to coverage is provided. This exercise is repeated assuming that enrollment in BadgerCare Plus Core is not limited under the expansion (A3.2). Similar to calculations in (A2), individuals assigned to “access” under this third category have access to health insurance either via an employer offer or BadgerCare Plus Core eligibility.

Limitations of the ACS data require the application of assumptions when computing percentages of Wisconsin residents with access to health insurance. We provide four sets of calculations, each aligning with different treatments of the following subgroups:

1. The inclusion or exclusion of individuals residing in institutions from the base sample.

The ACS does not provide poverty status information for individuals residing in institutionalized and non-institutionalized group quarters; this information is used to assign access to those meeting income-eligibility criteria for BadgerCare Plus programs. The institutionalized group quarters population includes population members categorically ineligible for Medicaid, but also those who are very likely to meet eligibility criteria. Since it is not possible to distinguish among these groups, we reported estimates including and excluding this entire population. When included, it is assumed that all institutionalized individuals have access to coverage through their institutional setting. All base samples include the non-institutionalized group quarters population. Adults who are both uninsured and reside in non-institutional group quarters account for 0.1% of the unrestricted base sample. We are unable to assess BadgerCare program eligibility for this subgroup since the ACS does not report poverty status information for the group quarters population.

⁴ This figure should be viewed as a point-in-time representation of maximum coverage levels, rather than a maintained enrollment cap. While BC Core did reach an enrollment level of approximately 65,000, enrollment has fallen below this level while the State maintains a waiting list. Other values could be selected as the enrollment limit for this analysis, including the minimum level of enrollment following the start of the waiting list or the target enrollment level defined by the State.

2. The treatment of noncitizens in the base sample, either (i) inclusion of noncitizens and assumption that they are legally resident and qualified for federal means-tested public benefits⁵, or (ii) exclusion of noncitizens with the exception of pre-1982 entrants, Cuban and Haitian immigrants, and individuals of Hmong ancestry.

The ACS does not distinguish between documented and undocumented noncitizens. And citizenship status, as all categories, is self-reported by the survey respondents. Since eligibility for the BadgerCare Plus programs is linked to legal status, absence of this information limits the assessment of access among noncitizens. We, therefore, either assumed all noncitizens are legal residents and qualified for public benefits, or excluded all noncitizens for which legal residency cannot be inferred. With the exception of children and adults with Haiti or Cuba indicated as place of birth, noncitizens who report entering the United States during or after 2003 are assumed ineligible for BadgerCare programs. This assumption reflects the five-year residency requirement for noncitizen eligibility.⁶

Table 2 reports results for each assumption set outlined above. Notably, results are not largely sensitive to variation in the set of base assumptions.

⁵ See <http://aspe.hhs.gov/hsp/immigration/restrictions-sum.shtml#sec3>

⁶ We assume all noncitizen pre-1982 entrants obtained legal residence, and legal residence of all Cuban, Haitian and Hmong noncitizens. This approach draws from published DHS guidelines, collaborator input, and related literature. Similar methods are used in: HoferM., N. Rytina, and B.C. Baker. January 2010. "Estimates of the Unauthorized Immigrant Population Residing in the United States: January 2009." Office of Immigration Statistics.

Table 2. Access to Coverage for Wisconsin Residents, 2008: According to Sample Inclusion Criteria

Base Sample 1– Noncitizens, Institutionalized Group Quarters (IGQ) Included	Percent	(95% CI)	Population Value
A1	91.1%	(0.9072, 0.9162)	5,131,447
A2	2.7%	(0.0248, 0.0305)	155,755
<i>Total Access, (A1-A2)</i>	93.9%	(0.9359, 0.9429)	5,287,202
A3.1	1.1%		65,000
<i>Potential Effect of BC Core on Access with Enrollment Cap</i>	95.1%		5,352,202
A3.2	2.4%	(0.0220, 0.0263)	136,186
<i>Potential Effect of BC Core on Access with no Enrollment Cap</i>	96.3%	(0.9606, 0.9666)	5,423,388
<i>Base Population Estimate</i>			5,627,968
Base Sample 2 – Noncitizens Included, IGQ Excluded			
A1	91.0%	(0.9059, 0.9150)	5,049,588
A2	2.8%	(0.0251, 0.0309)	155,755
<i>Total Access, (A1-A2)</i>	93.8%	(0.9349, 0.9421)	5,205,343
A3.1	1.1%		65,000
<i>Potential Effect of BC Core on Access with Enrollment Cap</i>	95.0%		5,270,343
A3.2	2.4%	(0.0223, 0.0267)	136,186
<i>Potential Effect of BC Core on Access with no Enrollment Cap</i>	96.3%	(0.9600, 0.9661)	5,341,529
<i>Base Population Estimate</i>			5,546,109
Base Sample 3–Some Noncitizens Excluded, IGQ Included			
A1	91.9%	(0.9149, 0.9232)	5,057,988
A2	2.4%	(0.0214, 0.0268)	132,885
<i>Total Access, (A1-A2)</i>	94.3%	(0.9398, 0.9466)	5,190,873
A3.1	1.1%		65,000
<i>Potential Effect of BC Core on Access with Enrollment Cap</i>	95.5%		5,255,873
A3.2	2.3%	(0.0214, 0.0257)	129,857
<i>Potential Effect of BC Core on Access with no Enrollment Cap</i>	96.6%	(0.9639, 0.9696)	5,320,730
<i>Base Population Estimate</i>			5,503,253
Base Sample 4–Some Noncitizens Excluded, IGQ Excluded			
A1	91.7%	(0.9136, 0.9221)	4,976,916
A2	2.4%	(0.0217, 0.0272)	132,885
<i>Total Access, (A1-A2)</i>	94.2%	(0.9389, 0.9458)	5,109,801
A3.1	1.1%		65,000
<i>Potential Effect of BC Core on Access with Enrollment Cap</i>	95.4%		5,174,801
A3.2	2.3%	(0.0217, 0.0261)	129,857
<i>Potential Effect of BC Core on Access with no Enrollment Cap</i>	96.6%	(0.9634, 0.9692)	5,239,658
<i>Base Population Estimate</i>			5,422,181

Note: Institutional Group Quarters is abbreviated IGQ; truncation is used in the reporting of percentages and confidence intervals.

Access to Health Insurance Rates – Calculation Details:⁷

Access Calculation in Base Sample 1:

A1 – Coverage	A2 – BC+ Income Eligibility	A3 – BC+ Core Income Eligibility
<u>Citizens & Noncitizens</u> -Insurance through Employer/Union -Private Insurance -Medicare -Medicaid, Medical Assistance, etc. -TRICARE/Other Military -VA -Institutionalized	<u>Citizens, Not in A1 and:</u> -Child (age<19) -Adult (age ≥19), at or below 200% FPL, and resides in household that includes at least one child <u>Noncitizens, Not in A1 and:</u> -Child (age<19) -Cuban or Haitian adult (age ≥19) noncitizen, resides in household that includes at least one child & ≤ 200% FPL -Noncitizen pre-2003 entrant adult (age ≥19), resides in household that includes at least one child, & ≤ 200% FPL	<u>Citizens, Not in A1 and:</u> -Adult (19-64), resides in childless household & ≤ 200% FPL <u>Noncitizens, Not in A1 and:</u> -Cuban or Haitian adult (19-64) noncitizen, resides in childless household & ≤ 200% FPL -Noncitizen pre-2003 entrant adult (19-64), resides in childless household, & ≤200% FPL

Access Calculation in Base Sample 2:

A1 – Coverage	AC2 – BC+ Income Eligibility	AC3 – BC+ Core Income Eligibility
Same criteria as base sample 1, except IGQ population excluded	Same criteria as base sample 1, except with IGQ exclusion	Same criteria as base sample 1, except with IGQ exclusion

Access Calculation in Base Sample 3:

A1 – Coverage	AC2 – BC + Income Eligibility	AC3 – BC+ Core Income Eligibility
Same criteria as base sample 1, except base sample excludes noncitizens who are not Cuban, Haitian, of Hmong ancestry or pre-1982 entrants	Same criteria as base sample 1, except with noted exclusions	Same criteria as base sample 1, except with noted exclusions

Access Calculation in Base Sample 4:

A1 – Coverage	A2 – BC + Income Eligibility	A3 – BC+ Core Income Eligibility
Same criteria as base sample 3, except IGQ population also excluded	Same criteria as base sample 3, except IGQ also excluded	Same criteria as base sample 3, except IGQ also excluded

⁷ The results are not sensitive to the identification and inclusion of all listed subgroups. For example, the ACS reports zero uninsured noncitizen Haitians in Wisconsin in 2008. Rather, this outline represents a reasonable framework for applying BadgerCare eligibility criteria to the ACS dataset for comparisons across numerous years.

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