

## Testimony on BadgerCare Childless Adults (CLA) Waiver Amendment

Disability Rights Wisconsin

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Disability Rights Wisconsin (DRW) is the Protection and Advocacy system for people with disabilities in Wisconsin and the only statewide provider of free civil legal aid. DRW's advocates represent thousands of low-income Wisconsinites every year, including some of Wisconsin's most vulnerable children, seniors, families, victims of crime, and survivors of violence.

Our comments in this testimony will focus on the impact of the BadgerCare Childless Adult Waiver Amendment on people with disabilities because they are our constituency. That focus should not be interpreted as approving, supporting or endorsing anything in this waiver that applies to the larger population of low-income people who must rely on Medicaid for their healthcare and who may be harmed by this proposal.

The BadgerCare Childless Adult Waiver has been a lifeline for thousands of low income Wisconsinites, providing access to affordable health care and reducing reliance on costly emergency and crisis services. Many Wisconsinites with disabilities access EBD Medicaid, which provides elderly, blind, and disabled individuals with access to acute care services, as well as long-term care services, including home and community based waiver programs. However, a significant number of people with disabilities, including individuals with mental illness, cognitive disabilities, and chronic disabling conditions access Medicaid through the BadgerCare Childless Adult Waiver. Although some may be potentially eligible for EBD Medicaid, obtaining a disability determination can be a difficult process, requiring extensive medical documentation. Many individuals with significant mental illness and/or other chronic disabling conditions, including those who have experienced homelessness, have not had consistent access to healthcare over the years, and have difficulty providing the needed documentation for a disability determination.

Expanding Medicaid coverage to this population with the Childless Adults Waiver has greatly improved access to reliable and continuous health care for thousands of Wisconsinites with mental illness and other chronic disabling conditions. This has included access to acute and primary care, prescription drugs, behavioral/mental health care, personal care, therapies, and non-emergency medical transportation. Enrollment in BadgerCare has also provided opportunities for access to other County administered benefits such as Comprehensive Community Services (CCS) which supports recovery for people with mental illness and substance use disorders. It is important to note that Medicaid provides services that are not generally covered by private insurance, such as CCS, and personal care, so continued and ongoing access to Medicaid and the unique long term supports it provides is vital for Wisconsinites with disabilities.

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We thank Governor Walker and policymakers for the past expansion of BadgerCare to childless adults, and the positive strides Wisconsin has made in expanding access to healthcare and long term supports. We are concerned that provisions in the Waiver Amendment will have the unintended consequence of loss of access to healthcare for thousands of Wisconsinites with disabilities, and other vulnerable populations, resulting in increased reliance on costly emergency and crisis care, as well as significant increased cost to administer the waiver provisions.

Because of these concerns, DRW opposes the proposed Childless Adult Waiver Amendment. To lessen the negative impact on Wisconsinites with disabilities, we recommend the following revisions to the Childless Waiver Amendment:

#### **EXEMPTIONS TO WAIVER AMENDMENT PROVISIONS FOR WORK REQUIREMENT**

The DHS Waiver Section 3.4.4.1 Employment and Training has a very specific list of exemptions under which a member “will be exempt from the work requirement” that will lessen the risk of coverage loss for people with disabilities. DRW supports these exemptions as they will lessen the risk of coverage loss to people with disabilities enrolled in BadgerCare.

This list includes exemptions for members who are diagnosed with a mental illness, who receive SSDI, who are a primary caregiver for a person who cannot care for themselves, for a person who is physically or mentally unable to work, who is receiving or has applied for unemployment insurance, taking part in in AODA programs, or participating in high school.

#### **Recommendations:**

- DRW supports the current exemptions which have been used with FSET. In addition, we recommend expanding the exemption categories to include individuals who are homeless, given the correlation between homelessness and mental illness, as well as other disabilities, as well as exempting victims of domestic violence, given the increased risk for domestic violence victims to develop mental health concerns or other disabling conditions if they do not have access to care and treatment.
- Given the importance of maintaining access to Medicaid services and supports for individuals with disabilities, DRW recommends that the waiver be revised to exempt this population from all the waiver proposals, across the board. The remainder of this testimony addresses some specific concerns regarding Waiver Amendment provisions.

#### **MONTHLY PREMIUMS**

The proposed amendment would charge childless adults a monthly premium ranging from \$1 to \$10 depending on income (between 21 to 100 percent of the FPL). Individuals who don't pay their premiums will lose coverage for 6 months. Re-enrollment during those 6 months will not be allowed until all outstanding premiums are paid.

DRW opposes the use of premiums. Paying a premium, no matter how small, can be a formidable barrier for many BadgerCare members, who are by definition low income, and in many cases are homeless or housing insecure, and struggling to meet basic needs. A review of premium use in Michigan, Iowa and Indiana indicates that “Premiums are unaffordable for those who are subject to them, causing some enrollees to accumulate debt or be dropped from the program.<sup>1</sup>”.

In addition to their limited budget, many are without a bank account, credit card, or other means to easily pay monthly premiums. An *FDIC National Survey of Unbanked and Underbanked Households*, published in October 2014, found that 7.7% of US households were “unbanked” in 2013, and an additional 20% were underbanked. Minority households had less access: among Black households 20% were unbanked” and 33% underbanked; and data for Hispanic households indicated that 17.9% were unbanked and 28.5% were underbanked.<sup>2</sup>

The lack of access to a bank account creates significant barriers to conducting basic financial transactions such as paying monthly premiums. Studies have shown that Medicaid participants have trouble affording even modest premiums, and that premiums can impede access to necessary care, and increase use of emergency rooms and uncompensated care.<sup>3</sup>

**Recommendation:**

- As indicated above, DRW recommend revising the Waiver Amendment to exempt individuals with disabilities, caregivers, and other exempt groups listed in section 3.4.4.1 from paying monthly premiums, and recommends the addition of exemption for individuals who are homeless, as well as domestic violence victims.

**EMPLOYMENT AND TRAINING REQUIREMENT & TIME LIMITS ON MEDICAID ELIGIBILITY**

After 48 months of BC+ enrollment, a childless adult on BC+ will lose coverage for 6 months. If an individual is working at least 80 hours per month or job training, they will not be subject to the 48-month enrollment limit. According to the waiver, FoodShare Employment and Training (FSET) is the model the BC+ work component will follow.

**Recommendation:**

- Although DRW supports efforts to provide employment services and supports to people with disabilities and other low income populations, we oppose the proposed loss of healthcare coverage, as it will delay needed medical care, increase reliance on emergency and crisis services, and on uncompensated care. DRW endorses the current exemptions as written in section 3.4.4.1, and recommends the addition of exemption for individuals who are homeless, as well as domestic violence victims.
- The application does not explicitly state that a participant who is exempt from the work requirement will not accrue time towards the 48-month limit. DRW recommends the addition

of language to explicitly exempt these same individuals from the 48-month limit, and the addition of exemptions for individuals who are homeless, as well as domestic violence victims.

### **SUBSTANCE ABUSE SCREENING, TESTS AND TREATMENT**

DHS's proposal would require, as a condition of eligibility, that an applicant or member complete a drug screening, and if indicated, a drug test.

#### **Recommendation:**

- DRW supports efforts by DHS to increase access to substance use disorder treatment; however, we question the effectiveness of this provision. The drug screening/testing measures, like the required premiums, will be expensive to administer. Given that there is currently a shortage of substance use disorder treatment and prevention programs, and waitlists of people in need of treatment, it would be more impactful to use these funds to develop provider capacity.
- DRW endorses exempting people with disabilities and other as listed in section 3.4.4.1 from this requirement, and recommends the addition of exemptions for individuals who are homeless, as well as domestic violence victims.

### **CHARGE AN INCREASED CO-PAYMENT FOR EMERGENCY DEPARTMENT UTILIZATION**

DHS's proposal would require members who use the emergency department will be responsible for an \$8 copay for the first visit and \$25 copay for subsequent visits during a twelve-month period.

#### **Recommendation:**

- While DRW supports the underlying philosophy of encouraging access to preventive care and reducing reliance on emergency rooms, we recognize that many BadgerCare members with disabling conditions have significant health care needs. Access to an emergency room is an important part of the continuum of care. In addition, the copay may be unaffordable for many members given their low income, and could prevent them from accessing needed care.
- DRW endorses exempting people with disabilities and other as listed in section 3.4.4.1 from the increased co-payment for Emergency Department Utilizations, and recommends the addition of exemption for individuals who are homeless, as well as domestic violence victims. As an alternative, we support use of care coordination and more accountability for network adequacy to improve use of preventive care.

### **WAIVER OF IMD EXCLUSION FOR INPATIENT SUBSTANCE USE DISORDER TREATMENT**

Section 3.4.5.2 Expanding Substance Use Disorder Treatment, requests a waiver of the IMD exclusion for 22-64 year olds for inpatient substance use disorder treatment up to 90 days.

#### **Recommendation:**

- There is currently a lack of capacity for resident treatment for substance user disorders, and in many areas of the state there are waiting lists for such treatment. As many people with

disabilities have a co-occurring substance use disorder, DRW supports this narrowly targeted waiver of the IMD exclusion which would allow Medicaid coverage for 22-64 year olds only for inpatient substance use disorder treatment up to 90 days.

Wisconsin has made great strides in improving access to health care for low income people, including thousands of Wisconsinites with disabilities. We remain concerned that the Childless Adult Waiver Amendment will move Wisconsin backwards by reducing access to healthcare, increasing reliance on emergency room and crisis care, as well as increasing uncompensated care. Costs for administering the waiver were not include in the application. Given the complexity of the waiver, these costs will be significant; policymakers need to understand the projected cost for implementing and operating the waiver before moving forward.

Given these concerns, and the potential harmful impact on healthcare access for Wisconsinites with disabilities, we oppose the Childless Adult Waiver Amendment. Thank you for your consideration of DRW's recommendations to amend the Waiver Amendment, to exempt Wisconsinites with disabilities from Waiver provisions.

#### **Notes**

1. Callow, Andrea. "Charging Medicaid Premiums Hurts patients and State Budgets." Families USA. [familiesusa.org /product/charging-medicaid-premiums-hurts-patients-and-state-budgets](http://familiesusa.org/product/charging-medicaid-premiums-hurts-patients-and-state-budgets). April 2016.
2. Susan Burhouse, Karyen Chu, Ryan Goodstein, Joyce Northwood, Yazmin Osaki, Dhruv Sharma. "2013 FDIC National Survey of Unbanked and Underbanked Household." <https://www.fdic.gov/householdsurvey/2013/index.html>. October 2014
3. Callow, Andrea. "Charging Medicaid Premiums Hurts patients and State Budgets." Families USA. [familiesusa.org /product/charging-medicaid-premiums-hurts-patients-and-state-budgets](http://familiesusa.org/product/charging-medicaid-premiums-hurts-patients-and-state-budgets). April 2016.

#### **Definitions**

- **Unbanked** is defined by the FDIC study as households that do not have an account at an insured institution
- **Underbanked** households are defined by the FDIC as those that have used at least one of the following AFS from non-bank providers in the last 12 months: money orders, check cashing, remittances, payday loans, refund anticipation loans, rent-to-own services, pawn shops loans, or auto title loans.