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State health programs for the poor face new budget crisis

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Jason Stein | 608-252-6129 | jstein@madison.com | Posted: Tuesday, December 15, 2009 8:25 pm | (5) Comments

A flood of newly impoverished participants in state health programs for the poor could send those initiatives as much as \$150 million into the red, a legislative report found.

The projections raise fresh questions about how long the cash-strapped state can afford expanded health programs for struggling Wisconsin residents at a time of unprecedented economic crisis.

To keep the programs running, state officials said they would consider tough choices including putting new rules on participants and cutting payments to the clinics and hospitals that care for them.

"They're going to put more and more people into the program and provide fewer and fewer resources for providers," said Rep. Robin Vos, R-Caledonia, a member of the Legislature's budget committee. "That math doesn't work."

Since the BadgerCare Plus program essentially made all uninsured children in the state eligible for Medicaid in February 2008, officials have twice underestimated how many people would sign up for the program and the related Core Plan for childless adults. That's partly because state unemployment has doubled during the recession, Health Services Secretary Karen Timberlake said.

"The bottom line is Medicaid exists to help individuals and families exactly at a time like this," Timberlake said.

The budget committee co-chairmen, Rep. Mark Pocan, D-Madison, and Sen. Mark Miller, D-Monona, both declined comment through aides, saying they needed more time to look at the problem.

BadgerCare Plus already had 700,000 participants as of Nov. 30, well above the average 638,000 participants the state expected this year, according to the report by the nonpartisan Legislative Fiscal Bureau. That leaves the program with a projected shortfall of \$100 million to \$125 million through June 2011.

The Core Plan is also over its expected enrollment and has an added shortfall of \$20 million to \$25 million.

Timberlake said the state is hoping health care proposals before Congress will provide some additional money for Medicaid to help pay for the program in the short term.

David Riemer, a former budget director for Democratic Gov. Jim Doyle, said Congress must deal with "the complete inadequacy of the national health care system" for the state to be able to keep its Medicaid programs at current levels for more than a few years.

"In the long term it is not sustainable," said Riemer, now director of the Community Advocates Public Policy Institute in Milwaukee.

Timberlake said the state was on track with existing plans to cut some payments to providers and delay others to come up with \$608 million in savings already budgeted for the Medicaid program through June 2011. If the agency fails to meet that savings goal, the shortfall will rise even higher.

Participants could have to make changes such as using more generic drugs in place of brand name alternatives, for example, while providers could see lower payments from the state for seeing patients.

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