



DATE: April 12, 2023

TO: Assembly Committee on Health, Aging, and Long-term Care

FR: William Parke-Sutherland, Senior Health Policy Analyst

RE: Opposition to AB 148 – prohibiting automatic renewals and increasing redeterminations

Chairperson Moses and committee members,

Kids Forward is submitting testimony on Assembly Bill 148, which we strongly oppose because it will create harmful barriers to Medicaid participation reducing access to health care among Medicaid-eligible children, parents, and other adults, and would exacerbate racial inequities in access to health care and coverage.

Kids Forward aspires to make Wisconsin a place where every child thrives by advocating for effective, long-lasting solutions that break down barriers to success for children and families, notably children and families of color and those furthest from opportunity. Using research and a community-informed approach, Kids Forward works to help every kid, every family, and every community thrive.

AB 148 would prohibit DHS from automatically renewing health care benefits for those covered by BadgerCare Plus, would require eligibility to be verified every six months (instead of annually), and disallow the use of pre-populated forms. It would also require that people lose their coverage for six months if they fail to report (in a timeframe established by the state) any change that may impact their eligibility. The bill also appears to require DHS to disenroll people who are found ineligible through data matching efforts.

Through increased renewals, prohibiting automatic renewals, disallowing DHS from using best practices for renewals, such as pre-populating forms, this bill would greatly increase administrative burdens, which would likely worsen inequality and health disparities. A 2021 report from the Office of Management Budget found that barriers making it harder for people to access public benefits worsen inequity. This bill would require someone on BadgerCare to fill out more paperwork, answer more notices and phone calls, submit more verification and documentation, and have more interactions with income maintenance workers. All of this additional work would fall hardest on those who have the least amount of time and resources.

Because of long-term systemic employment and economic discrimination, Black, Indigenous, and People of Color are more likely to be in lower-paying jobs, have less access to insurance, and more likely to face barriers such as lack of access to transportation, connectivity, and financial instability. For example, the report notes that during the *great recession Black and Hispanic workers were less likely to receive unemployment insurance benefits than White workers*. Increasing administrative burdens by implementing this proposal would likely disproportionately harm Black, Indigenous, and People of Color in Wisconsin. Assembly Bill 148 would perpetuate and exacerbate racial inequity.



Automatic renewals are one of the best ways that states can ensure those who are eligible for coverage remain covered without adding administrative burdens and red tape like verification and renewal forms. Forms can get lost in the mail, processed incorrectly, sent to the wrong address, not returned in a timely manner, and be misunderstood by beneficiaries. All of these can lead to people losing their coverage and can result in increased health costs and worse health outcomes for people who need regular access to health care services.

Renewals are important to make sure that people who are enrolled are Medicaid eligible, but they are also the way people are most likely to lose their coverage, even if they are eligible. AB 148, which would make state staff process twice as many renewals as they do currently, would cause more children and families to fall through the cracks and become uninsured even though they are still eligible. Further, it is unclear how many people would actually be required to renew coverage semi-annually. Federal regulations state that renewals for individuals whose Medicaid eligibility is based on modified adjusted gross income (MAGI) methods may not be done more frequently than every 12 months¹. This section of the bill would likely not apply for the vast majority of children, parents, adults without dependent children and pregnant people covered by BadgerCare Plus.

According to an October 2021 report by the Medicaid and CHIP Payment and Access Commission (MACPAC), Wisconsin already has some of the highest rates of churn in the country. More than 12 percent of enrollees are disenrolled and then re-enroll within 12 months. According to that same report, Black enrollees are more likely to be impacted by churn and needlessly lose coverage than their white counterparts, so increasing the administrative burden could have an inequitable impact on Black Wisconsinites. Language accessibility barriers when using websites, reading communications, and interacting with income maintenance workers could also make it more likely that people in families who speak a language other than English would be impacted by increased renewals and needlessly lose coverage.

Federal Medicaid rules require that states attempt to renew members' coverage using other available data sources² because this is one of the most efficient and cost-effective ways to keep people insured. States are required to use data sources the state determines useful. By requiring data checks for ineligibility and creating six-month sanctions, the bill is trying to have it both ways. If the data is good enough to prove someone is ineligible, then it is good enough to confirm that person's eligibility. For these reasons, it is likely that the proposed prohibition is inconsistent with federal law.

Doubling the number of renewals would also mean tremendous increases in administrative costs and staffing needs, which this bill doesn't acknowledge or allocate funding for. An April 2021 HHS study estimated the cost of processing a single instance of disenrollment and re-enrollment at between \$400 and \$600.³

¹ § 435.916 Periodic renewal of Medicaid eligibility.

² 435.916(a)(2) Renewal on basis of information available to agency. The agency must make a redetermination of eligibility without requiring information from the individual if able to do so based on reliable information contained in the individual's account or other more current information available to the agency, including but not limited to information accessed through any data bases accessed by the agency under [§§ 435.948, 435.949](#) and [435.956](#).

³ https://aspe.hhs.gov/sites/default/files/migrated_legacy_files/199881/medicaid-churning-ib.pdf

Please oppose this bill because it would prohibit one of the best ways of keeping eligible Wisconsinites covered, increase rates of churn where people are needlessly going without care and coverage exacerbating health inequities. It would also needlessly create substantial administrative burdens for staff and balloon administrative costs.

Please feel free to contact me at wparkesutherland@kidsforward.org with questions, follow up, or requests for more information. Thank you.