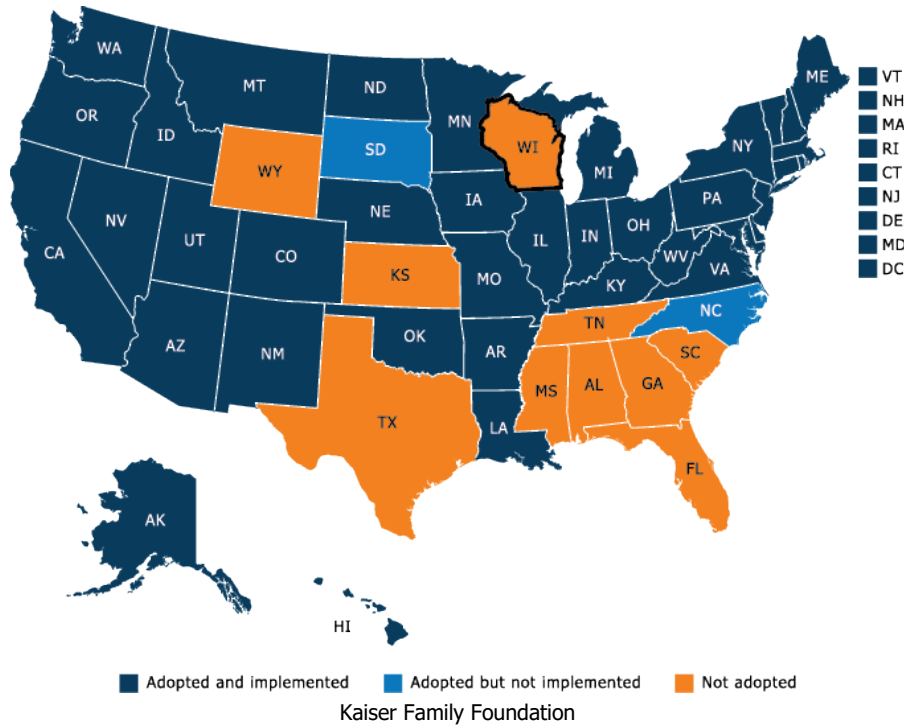


GOVERNOR EVERS' 2023-25 BIENNIAL BUDGET

Medicaid Expansion: Good for Our Health, Good for Our Workforce

As of March 2023, Wisconsin is one of only 10 states that have not chosen to expand their Medicaid programs. States that have expanded Medicaid have experienced positive outcomes as more people gain access to needed treatment and care, hospitals stay open, and jobs and the economy grow. Expanding access to quality health care services ensures everyone can receive preventive health services and can adequately treat illness or emergencies. Medicaid expansion will expand coverage access to an estimated 89,700 additional people in Wisconsin. It is expected to generate \$1.6 billion in savings due to enhanced federal funds. This budget proposal is also good for Wisconsin's workforce by increasing the number of people who can find and maintain full-time employment and helps prevent medical bankruptcies.



MEDICAID EXPANSION WILL IMPROVE WISCONSIN'S WORKFORCE

- Under the Affordable Care Act, Medicaid expansion extends health insurance coverage to nearly all adults with incomes up to 138% of the federal poverty level, and the federal government is providing enhanced federal funding to help cover these new populations of parents, caretakers, and other adults without dependent children.
- Medicaid continues to be a strong workforce support at a time when employers are struggling with staffing shortages and high levels of turnover and serves as a cornerstone of our economic productivity and output, especially in moments of fiscal uncertainty.
- Historically, we have seen that more than 45% of adults without dependent children *are* employed. They enroll in BadgerCare Plus because they are underemployed and do not have health insurance available through their jobs.

GOVERNOR EVERS' 2023-25 BIENNIAL BUDGET

HELPING PEOPLE GET AND KEEP JOBS

- Medicaid expansion will improve Wisconsin's workforce as employers across all sectors struggle with staffing shortages and high levels of turnover. Expansion will:
 - Provide essential support for the health care needs of working Wisconsinites whose jobs do not offer accessible and affordable health care insurance.
 - Improve access to health services such as preventive health services, medications, care for chronic diseases, and behavioral health services. This will allow workers to take control and address their health promptly.
 - Strengthen worker's ability to work by increasing productivity and decreasing absenteeism leading them to retain their jobs. People who are healthy are better able to get and keep jobs.
 - Allow workers to continue to feed and support their families.
- Medicaid expansion helps workers do their jobs better. A study on Michigan found that 69% of enrollees who were working said they performed better once they got expansion coverage.¹
- Research in Ohio surveyed people who were unemployed and looking for work when they gained expansion coverage. 75% said Medicaid made the task easier, and among those who were employed, half said Medicaid made it easier to stay working.²

REINVESTING SAVINGS IN OUR WORKFORCE

- Medicaid expansion would generate substantial tax dollar savings, as the state could now claim enhanced federal funds for newly enrolled individuals and for all adults without dependent children currently in the program.
 - The savings estimate is even higher this biennium because of a new 2-year incentive payment in the American Rescue Plan Act for states that expand Medicaid coverage for the first time. By adopting Medicaid expansion, the state can realize **\$1.6 billion** in savings in the 2023-2025 biennium.
- Unlocking over a billion dollars in state revenue over the next two years will allow Governor Evers and Wisconsin policy makers to make additional investments in the priorities that have been put in motion over the past four years.
 - This could include investments in workforce training initiatives, business automation, child care expansion, and other initiatives to bolster the state's workforce.

Although there is a worker shortage in many areas, employment in Wisconsin has reached historic highs, and unemployment is near record lows. The state's labor force participation rate—which is the share of the working-age population in the labor force is higher now than it was before the pandemic and substantially higher than the national average. Other factors are influencing workforce shortages, including population changes (baby boomers are retiring), economic growth surpassing population growth, slower rates of immigration, and a mismatch between skills that employers seek, and the skills jobseekers have.

For more information on all of Governor Evers' proposed investments in Wisconsin's health, visit www.dhs.wisconsin.gov/budget

¹ <https://files.kff.org/attachment/Report-The-Effects-of-Medicaid-Expansion-under-the-ACA-Updated-Findings-from-a-Literature-Review.pdf>

² <https://www.cbpp.org/blog/medicaid-expansion-helps-ohioans-access-care-maintain-jobs>

