WISCONSIN PUBLIC HEALTH COUNCIL

Assure safe and healthy people by monitoring progress on the state health plan and on the readiness for public health emergencies



May 23, 2025

Public Health Council Statement on Medicaid Support in the State Budget

The Wisconsin Public Health Council (PHC) was created in 2003 by the State Legislature for the purpose of advising the Department of Health Services, the Governor, the Legislature, and the public on key public health issues. The 23-member PHC (https://www.dhs.wisconsin.gov/publichealthcouncil/index.htm) is made up of Governor-appointed representatives from across the state, including people working in public health and healthcare, not for profits, and other sectors.

The PHC is charged with monitoring and providing guidance on progress in implementing Wisconsin's State Health Plan and coordination of responses to public health emergencies. Part of the Council's work includes identifying key issues that impact health outcomes and then objectively advising related to health impacts of State policy and budget decisions.

The PHC recently presented testimony to the Joint Committee on Finance (JFC) related to critical Public Health Funding and is now writing to bring your attention to potential impacts of not expanding Medicaid support at the state level, as well as the impact of proposed cuts to Medicaid funding at the Federal level. Access to healthcare services is critical to the success of our state and is one of our State Health Plan priorities and therefore falls into the purview of the PHC's advisement. Medicaid currently provides access to healthcare for residents of all ages. We see protection and expansion of Medicaid as important issues to the health of our state.

Regarding support for Medicaid at the state level, the PHC wants to emphasize how absolutely essential Medicaid is to the overall health and wellbeing of our state. Medicaid currently provides access to healthcare services for 20% of all Wisconsinites, including 40% of births, 38% of children, and 60% of people in nursing homes. BadgerCare Plus (one of seven Medicaid programs in the Wisconsin) is the state's largest Medicaid program, with roughly one million members, and covers preventive care, urgent and emergency visits, vaccinations, prescriptions, and more. Protecting this invaluable foundation of essential support for so many who have no other means to healthcare access should be top priority to our lawmakers and state leaders.

Even with this support, approximately 285,000 children and adults remain uninsured. And Wisconsin is one of only two states (the other is Arkansas) that does not cover new mothers for a minimum of one year under Medicaid. When a mother loses insurance during this time, it can have devastating short and long-term impacts on the health of both baby and mother. The current law removes mothers from Medicaid coverage when babies are only two months old. This interrupts a healthy start in life that would have increased potential for improved health outcomes, reduced future medical costs, and improved socioeconomic status.

The PHC advises that the JFC protect current Medicaid funding and consider expansion. Wisconsin is one of ten states to not expand Medicaid. Expanding BadgerCare Plus would result in \$1.9 billion savings for the state.

In addition, the PHC advises the legislature to be prepared with additional state funding to help offset proposed Federal funding cuts should they occur. As you are aware, the Wisconsin Department of Health Services (DHS) has started to analyze how these cuts might impact Medicaid members and providers in our state, including

shifting costs to Wisconsin, slashing the Medicaid budget, making services harder to access for working adults, and increasing costs to Wisconsin taxpayers.

One element of the proposed Federal cuts is implementing a per-person funding cap vs. reimbursement to the states at a set percentage of all eligible Medicaid costs. This change would dramatically reduce state budgets and put Wisconsin taxpayers on the hook if medical costs rise quickly, with cuts to benefits and cuts to provider payments. Over a ten-year period, Wisconsin would lose up to \$16.8 billion in federal funding.

A second element of the proposed Federal cuts includes a reduction in infrastructure and administrative support to run the Medicaid program at the state level. These cuts would likely include functions such as determining eligibility for members, staffing to review claims and pay providers, preventing fraud, and investing in information technology systems. These changes would make it difficult to fund current and future activities to run Medicaid efficiently and effectively, and to eliminate fraud, waste, and abuse.

A third element of the proposed Federal cuts poses increased barriers to coverage and increased cost to taxpayers. Many Wisconsinites with Medicaid work in jobs that don't offer health insurance or cannot afford the insurance provided by their employer. Many others can't work because of a health condition. Congress may impose new requirements to Medicaid coverage, making it even more difficult to get health coverage. In late 2024, Wisconsin Medicaid enrolled approximately 191,000 adults without dependent children per month. Roughly 52,000 of these members would be at highest risk for losing eligibility. These requirements would also cost up to \$6 million annually in administrative costs due to increased paperwork and additional staff time. Wisconsin could also choose to offer employment and training services to Medicaid members to help them meet work requirements, which would cost an additional \$60 to \$65.6 million per year.

The PHC advises that the JFC anticipate the impact of proposed Federal cuts to Medicaid be prepared to support those losing coverage. Protecting access to healthcare services for hundreds of thousands of children and adults in our state is essential to the vitality of our state and our workforce. The Public Health Council stands ready to work with you to create a healthier Wisconsin. We look forward to being a resource to you as you make tough decisions about the budget. We know you care about the health of those who live, work, learn, and play in our state.

Thank you for your time and consideration,

The Wisconsin Public Health Council