BadgerCare Plus: Benefit Packages

Under the Deficit Reduction Act of 2005 (DRA), states have flexibility to modify Medicaid benefits and cost-sharing requirements without the cap on federal financial participation that accompanies §1115 waivers. The flexibility granted by the DRA, coupled with long-standing Medicaid authority to expand eligibility by disregarding income, allows states to file state plan amendments in order to expand coverage to higher income populations in plans that charge limited premiums and look more like commercial insurance. (For additional information on this topic, see "Financing State Coverage Expansions: Can New Medicaid Flexibility Help?" This document is available in the publications section of the NASHP website at www.nashp.org.)

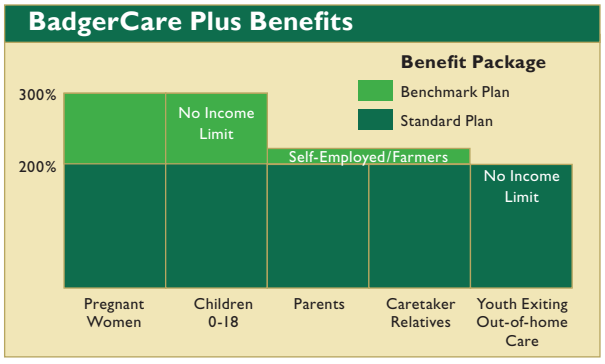
BadgerCare Plus consists of two benefit packages: a *standard plan* and a *benchmark plan*. The standard plan is Wisconsin's usual Medicaid benefit package. Wisconsin used authority in the federal Deficit Reduction Act (DRA) to create the benchmark plan based on the benefits package provided by Wisconsin's largest low-cost commercial health plan. The standard plan is available to families up to 200% of the federal poverty level (FPL). Those at higher incomes may participate in the benchmark plan and pay premiums on a sliding scale.

The following groups receive the BadgerCare Plus *standard plan:*

- Pregnant women below 200% FPL.
- All children under age 19 below 200% FPL.
- Parents and caretaker relatives below 200% FPL.
- Youth exiting foster care age 18 — 21, regardless of income.

The following groups may participate in the BadgerCare Plus *benchmark plan:*

- Pregnant women between 200% FPL — 300% FPL.
- All children under age 19 above 200% FPL, regardless of income.
- Self-employed parents, parents who are farmers, and caretaker relatives above 200% FPL, if depreciation of business equipment brings income below 200% FPL.



Source: Wisconsin Department of Health Services

Benefits packages differ

The standard and benchmark plans differ in the benefits offered. The standard plan includes all regular Medicaid benefits. The benchmark plan is based on Wisconsin's largest, low-cost commercial plan with four benefits added: prescription drugs, early childhood development services, dental services, and mental health/addiction treatment services. The state's rationale for creating a benchmark plan is that those with higher incomes have less need; the benchmark plan is also meant to control costs and prevent crowd-out.

Both the standard and the benchmark plans include: inpatient and outpatient treatment, vision care, physical and occupational therapy, and medical equipment, though the benchmark plan may limit these services and/or charge higher copayments. Major differences between the standard and benchmark plans are summarized in the table below.

	Standard Plan	Benchmark Plan
Prescription Drugs	Full coverage with preferred drug list	Generic Only – formulary
Home Health	Full coverage	Limited to 60 visits per year; Personal care and private duty nursing services are not covered
Nursing home	Full coverage	Limited to 30 days per year
Mental Health & Addiction	Full coverage	Limited to 30 inpatient days per year; Community programs are not covered; Limits on addiction treatment
Smoking Cessation	Full coverage	Nicotine gum
Transportation	Emergency and non-emergency	Emergency only
Dental	Preventive, Restorative, Palliative	Preventive & restorative for pregnant women and children only

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Out-of-pocket costs differ

The standard and benchmark plans also differ in the monthly premiums charged and co-payments required. Premiums start at $10/person/month and total family premiums never exceed 5% of family income for families up to 300% FPL. No co-payments are charged for well child check-ups or other preventive services in either plan.

	Standard Plan	Benchmark Plan
Monthly Premiums[1]	No premiums for pregnant women. No premiums for children. Sliding scale for parents from 150% - 200% FPL ($10-$188).	No premiums for pregnant women. Sliding scale for children above 200% FPL ($10-$98). Sliding scale for parents, set at 5% of family income.
Co-payments[2]	$0.50 - $3.00	$5.00 - $100.00 50% for dental services

[1] Premiums are capped at 5% of family income in both the standard and the benchmark plans.

[2] There are no co-payments for EPSDT services for children in either the standard or the benchmark plans.

About the National Academy for State Health Policy

The National Academy for State Health Policy (NASHP) is an independent academy of state health policy makers working together to identify emerging issues, develop policy solutions, and improve state health policy and practice. As a non-profit, non-partisan organization dedicated to helping states achieve excellence in health policy and practice, NASHP provides a forum on critical health issues across branches and agencies of state government. NASHP resources are available at: www.nashp.org.

This project was funded by the Robert Wood Johnson Foundation, the nation's largest philanthropy devoted exclusively to improving the health and health care of all Americans.