Evaluation of Wisconsin's BadgerCare Plus Health Care Coverage Program

Report #4
Wisconsin's Lessons about the Potential of Medicaid Auto-Enrollment

Thomas DeLeire, PhD, Principal Investigator
Donna Friedsam, MPH, Project Director

Research Team:
Laura Dague, PhD(c), Daphne Kuo, PhD, Lindsey Leininger, PhD, Sarah Meier, MS,
Shannon Mok , PhD(c), Kristen Voskuil, MA

In consultation and collaboration with

UW Institute for Research on Poverty
Steve Cook, MS. Tom Kaplan, PhD, Bobbi Wolfe, PhD
&
Wisconsin Department of Health Services
Milda Aksamitauskas, MPP and Linda McCart, JD

Preface: BadgerCare Plus

Wisconsin's BadgerCare Plus (BC+) program was designed to ensure access to health insurance coverage to virtually all Wisconsin children and to bolster coverage for parents and other caretaker adults. The program, launched in February of 2008, expanded upon BadgerCare (Wisconsin's Children's Health Insurance Program) and Medicaid.   Its reforms included eligibility expansions; simplification of eligibility rules and enrollment and verification processes; and an aggressive marketing and outreach campaign.

BadgerCare Plus eliminated the income eligibility ceiling for children. Coverage operates as a single program with two insurance products: the Standard Plan, for enrollees < 200% Federal Poverty Level (FPL), and the Benchmark Plan, for enrollees >200% FPL. The former is the traditional Medicaid plan and requires only minimal cost-sharing, while the latter is comprised of a more limited set of covered services and requires co-payments on non-preventive services, similar to private insurance policies.

The premium threshold for children was set at 150% FPL under BadgerCare and was raised to 200% FPL under BadgerCare Plus. Modest-income children (200-300% FPL) enrolled in the Benchmark Plan are subject to premium payments that increase with family income level; premiums start at $10 per month and are capped at 5% of total monthly income. The families of higher-income children (> 300% FPL) are required to pay the full cost of coverage in the Benchmark Plan, which amounted to approximately $100 per month in 2008.

In contrast to the 200% income threshold imposed for children, the sliding-scale premium begins at 150% FPL for parents and caretakers; again, with total family premium contributions capped at 5% of monthly income. BadgerCare Plus also includes caretaker relatives in its definition of parental eligibility.

Prior to the launch of BadgerCare Plus, anti-crowd-out provisions were applied in the BadgerCare program but not in the Medicaid program. Under BadgerCare Plus, applicants with incomes over 150% FPL are subject to anti-crowd-out provisions. With good-cause exceptions, these individuals face a three-month waiting period for dropped coverage and they cannot have been offered employer-sponsored insurance (ESI) during the past 12 months or have the opportunity to enroll in ESI during the upcoming 3 months. The employer must cover at least 80% of the premium for the crowd-out provisions to apply.

Study Purpose: To assess if the auto-converted BadgerCare Plus enrollees' exit patterns differed from participants who enrolled through more traditional pathways.

Background

The Wisconsin Department of Health Services (DHS) carried out a one-time auto-conversion effort immediately prior to BadgerCare Plus program launch (February 2008). This effort automatically enrolled over 44,000 previously ineligible or pending applicants – 92% of whom were siblings and/or parents of existing beneficiaries. This process involved applying new program eligibility criteria to previously ineligible individuals for whom there was current information in the State's administrative database. This included anyone who had at least one family member with an open case (already enrolled in State health programs in January 2008), or who had had a case closed 30 days before the BadgerCare Plus implementation (i.e., in December 2007).

The relevant policy changes that precipitated this conversion included the following: income limits were eliminated for children's coverage; crowd-out restrictions were lifted for some low-income families with incomes below 150% FPL; some parents with income levels of 185-200% became newly eligible; and caretaker relatives of eligible children were granted eligibility at levels on par with biological and adoptive parents.

Data and Methods

We used the Wisconsin CARES eligibility and enrollment system data from January 2006 through November 2009 to calculate enrollment trends and to analyze the exit rates of the cohort of February 2008 enrollees, some of whom were auto-enrolled. We calculated the monthly hazard rate of exiting BadgerCare Plus for this cohort separately by the manner of enrollment (auto-enrolled, traditional enrollment) in order to assess whether the auto-enrollees value their enrollment. This calculation helps indicate the degree to which auto-enrollment reaches persons who need and want such coverage.

We estimated Kaplan-Meier survival curves over a 22-month period for both populations and test for differences in the curves using a log-rank test. We also estimated Cox proportional hazards regression models to examine covariate-adjusted differences in exit rates between the two groups.

The regression model controls for county of residence and the county-level unemployment rate, rural/urban status, and individual- and household- level demographic characteristics. Individual-level demographics include age and gender. Household-level demographics include the number of adults in the household, the number of children in the household, and the highest education level attained by any adult in the household. The regression model also includes control variables indicating levels of household income (≤150% FPL, 150-200% FPL, and ≥200% FPL)

Results

Wisconsin auto-enrolled 44,264 individuals into its BadgerCare Plus program in February 2008. The auto-enrollees comprised almost 63% of the 69,910 new enrollees who entered the program in February 2008. Over half of the auto-enrollees (59%) were parents, and the vast majority

(96%) of these parents had a family member already enrolled in public coverage when the auto-enrollment took place.

Relative to other new February 2008 enrollees, the auto-enrollees were slightly older and belonged to larger households. Approximately two-thirds of both auto-enrollees and other new enrollees had incomes that were less than 150 % FPL and similar proportions in both groups had a required premium based on income (24% of non auto-enrollees and 22% of auto-enrollees).

Individuals who were auto-enrolled into the BadgerCare Plus Standard Plan—which is available to persons who are not required to pay premiums —had about the same rates of exit from the program over the subsequent 15 months as did non-auto-enrolled February 2008 enrollees (see Figure 1 for the exit experiences of Standard Plan adult enrollees). This population is most relevant for a comparison with a potential national Medicaid expansions under the Affordable Care Act, since that expansion will not require premiums.

By contrast, individuals who were auto-enrolled into the BadgerCare Plus Benchmark Plan and who had to pay premiums, exited the program at substantially higher rates than non-auto-enrolled entrants (both of whom exit at far higher rates than enrollees in the BadgerCare Plus Standard Plan, results available upon request). Benchmark Plan enrollees, who have relatively higher incomes, may be unwilling or unable to pay the premiums, or may be more likely to have other options for coverage. These findings suggest that the auto-enrollment process works well for low-income populations who are not subject to premium payments.

Figure 1.
Cumulative Likelihood of Disenrollment from the BadgerCare Plus Standard Plan by Means of Enrollment: Adult Enrollees Entering in February 2008
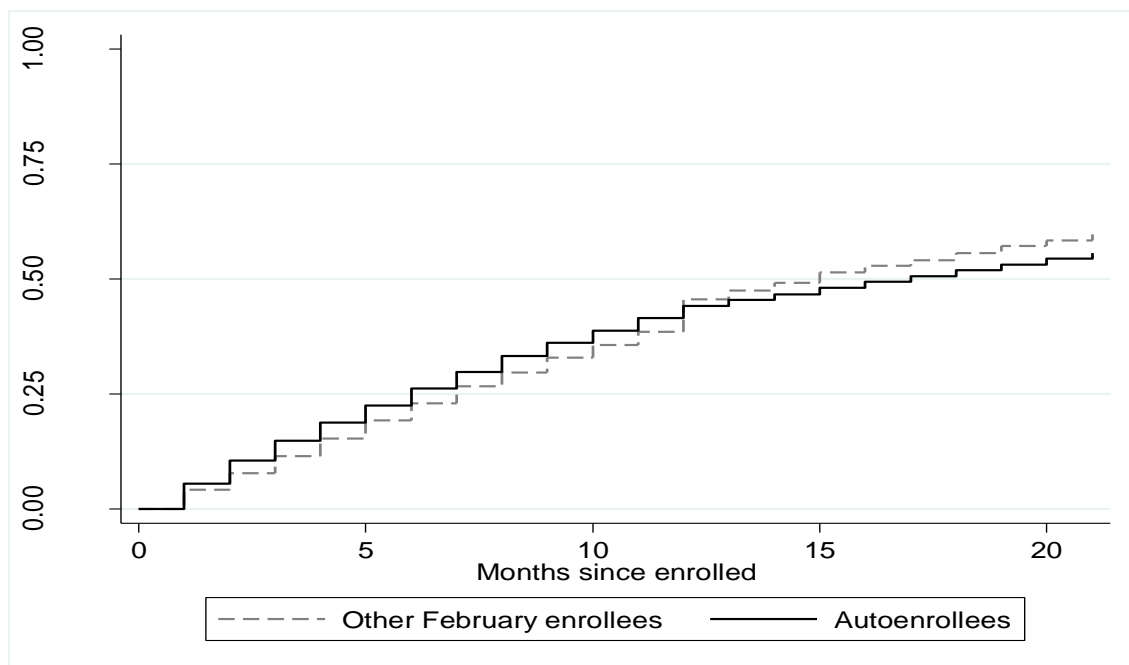
Discussion and Conclusions

Wisconsin demonstrated – among the populations that did not pay premiums, as would be the case in a national Medicaid expansion – no qualitatively meaningful differences in the exit rates by the auto-converted individuals relative to those that sought out and applied for coverage. This evidence strongly suggests that auto-enrolled populations may need and value public coverage to the same degree as other enrollees.

As noted above, most of Wisconsin's auto-converted adults had a child already enrolled in public coverage. This suggests that parents are a readily available group to target for auto-enrollment elsewhere.

Wisconsin's auto-conversion process proved an effective route to reaching eligible individuals already connected to public insurance either through past enrollment or through the enrollment of a family member. This group had already demonstrated some proclivity toward participation in public benefits, and thus may be less likely to opt-out than might persons captured through a broader match with State income tax or unemployment insurance data, for example.

Figure 2. Kaplan-Meier Estimates of Disenrollment: Auto-Converted Enrollees versus Other New February 2008 Enrollees
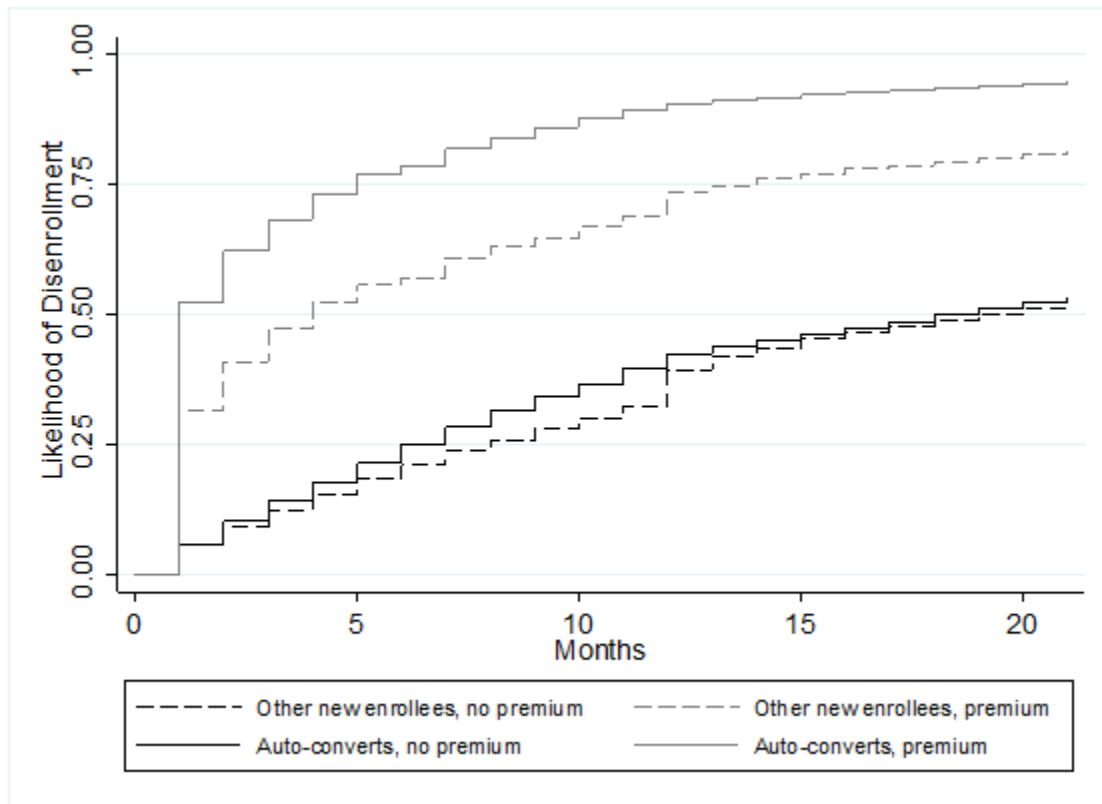
Table 1. Descriptive Statistics: Auto-Enrollees vs. Other New February 2008 Entrants

	Auto-converts		Other Feb. entrants	
	Mean	SE	Mean	SE
Individual-level covariates				
Black	0.15	0.36	0.11	0.31
White	0.60	0.49	0.65	0.48
Hispanic	0.11	0.32	0.11	0.32
Other race	0.10	0.30	0.07	0.26
Race unknown	0.04	0.18	0.06	0.24
Age	22.66	13.59	17.02	14.60
Child	0.41	0.49	0.66	0.47
Female	0.58	0.49	0.56	0.50
Number of months continuously enrolled	12.15	8.23	13.20	7.91
Premium requirement	0.22	0.41	0.24	0.43
Age younger than 1	0.01	0.09	0.10	0.30
Age 1-5 years	0.08	0.28	0.15	0.35
Age 6-12 years	0.21	0.41	0.23	0.42
Age 13-18	0.11	0.32	0.18	0.38
Age 19-29	0.27	0.44	0.12	0.32
Age 30-39	0.22	0.42	0.13	0.33
Age over 40	0.09	0.29	0.09	0.29
Income under 150% FPL	0.68	0.47	0.65	0.48
Income between 150 and 200% FPL	0.25	0.43	0.16	0.37
Income greater than 200% FPL	0.07	0.25	0.15	0.36
Percent of Federal Poverty Level	1.41	0.66	1.57	0.87
Rural	0.35	0.48	0.39	0.49
Number of spells	2.06	0.86	1.67	0.78
Household level covariates				
Household size	4.26	1.66	3.74	1.55
Number of children	2.59	1.44	2.11	1.29
Number of adults	1.67	0.59	1.63	0.65
Age of youngest member	4.33	4.45	6.46	5.26
Youngest member 0 years old	0.18	0.38	0.15	0.35
Youngest member 1-5 years old	0.53	0.50	0.31	0.46
Youngest member 6-12 years old	0.21	0.41	0.34	0.47
Youngest member 13-18 years old	0.08	0.27	0.16	0.37
No children in household	0.00	0.04	0.05	0.21
Less than high school	0.18	0.39	0.24	0.42
High school graduate	0.59	0.49	0.57	0.50
More than high school	0.22	0.42	0.20	0.40
Number of individuals	44,264		25,646	

FPL, federal poverty level

Table 2. Cox Proportional Hazards Estimates of Disenrollment, by Auto-Conversion Status. Sample: February 2008 BadgerCare Plus Entrants

Variable	(1)	(2)	(3)	(4)
Autoenrollee	1.261**	1.064**	1.273**	1.131**
	[0.013]	[0.012]	[0.015]	[0.015]
Premium required	3.599**	2.589**	2.923**	2.207**
	[0.039]	[0.047]	[0.050]	[0.054]
Autoenrollee*premium required		1.700**		1.513**
		[0.038]		[0.038]
Youngest household member 1-5 years			0.574**	0.581**
			[0.022]	[0.022]
Youngest household member 6-12 years			0.493**	0.508**
			[0.018]	[0.018]
Youngest household member 13-18 years			0.443**	0.461**
			[0.016]	[0.017]
No children in household			0.447**	0.470**
			[0.017]	[0.018]
Female			1.006	1.008
			[0.011]	[0.011]
Number of adults in household			1.147**	1.152**
			[0.010]	[0.010]
Number of kids in household			0.932**	0.935**
			[0.004]	[0.0039]
High school graduate			1.059**	1.053**
			[0.014]	[0.014]
More than high school			1.096**	1.087**
			[0.018]	[0.017]
Rural			1.219	1.263
			[1.05]	[1.069]
Income under 150% FPL			0.783**	0.738**
			[0.018]	[0.016]
Income between 150 and 200% FPL			1.157**	1.066**
			[0.021]	[0.020]
County unemployment rate			0.731**	0.731**
			[0.008]	[0.008]
County			X	X
Observations	876343	876343	832195	832195
Log pseudo-likelihood	-450525.09	-450231.9	-394757.99	-394617.51

Robust standard errors in brackets, clustered at individual level
** p<0.01, * p<0.05
Table reports hazard ratios
FPL, federal poverty level

Youngest household member 0 years, male, less than high school education, urban excluded from columns 3 and 4
Income over 200% FPL, premium not required excluded from columns 3 and 4
Columns 3 and 4 include controls for county of residence

"Premium required" is a time-varying dummy variable that reflects whether or not a premium was required in the given month

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