



**PRESS RELEASE
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Walker Administration Blinks on Threatened Medicaid Cuts for 53,000 People

Madison, WI – As expected, Governor Walker and Department of Health Services Secretary Dennis Smith “adjusted” Medicaid budget numbers, and commuted the termination of 53,000 Wisconsin adults from the BadgerCare program, their vital health care coverage. “We knew from the start that Walker’s budget cut numbers were inflated for political effect and negotiating leverage with CMS,” said Bobby Peterson, public interest attorney and Executive Director of ABC for Health.

DHS blinked on their original threat to drop childless adults and parents off programs unless CMS, the federal agency charged with waiver reviews, approved Wisconsin’s waiver request. Department spokespersons have now stated that they will not follow through on the catch-22 cuts proposed in the state biennial budget. Originally, in March 2011, Wisconsin’s Administration under Governor Walker introduced a budget repair and subsequent biennial budget that included a provision to terminate 53,000 childless adults and parents from BadgerCare Plus should the federal review of the MOE waiver request not be completed by December 31, 2011.

In a letter dated December 30, 2011, Smith informed the Joint Finance Committee that new budget numbers indicate that he overstated his initial projection of \$554.4 million in “savings” required to balance the Medicaid budget. Smith noted the benefit of “five months of actual caseload” data means that projected budget deficits now total less than \$232 million dollars, a drop of over \$300 million. “This is political theatre,” continues Peterson. “Consider the \$7.5 billion Medicaid budget and you see that Smith is playing with ‘rounding errors.’ Smith is taking advantage of fuzzy math, playing with percentages of error and projections all while threatening the health care coverage of Wisconsinites. What we need from Smith are accurate numbers, transparency, and honesty to the people of Wisconsin!”

Nonetheless, the proposed federal Medicaid waiver could still directly impact 458,000 Wisconsin BadgerCare and Medicaid beneficiaries and millions more state residents indirectly through higher uncompensated care like uncovered emergency room use. Peterson concluded, “In November, we warned the Administration that damaging a program that affects 1.2 million people and many more family members and friends across Wisconsin is playing with fire. The smoldering obviously became a flame that singed the short-sighted political objectives of the Administration.”

ABC for Health, Inc. is a Wisconsin-based, nonprofit, public interest law firm dedicated to linking children and families, particularly those with special health care needs, to health care benefits and services. ABC for Health’s mission is to provide information, advocacy tools, legal services and expert support needed to obtain, maintain, and finance health care coverage and services.

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