

SCHIP expansion and parental coverage: An evaluation of Wisconsin's BadgerCare

Barbara Wolfe^{a,*}, Thomas Kaplan^{b,1}, Robert Haveman^{c,1},
Yoonyoung Cho^{d,1}

^a *Department of Economics, Population Health Sciences, University of Wisconsin-Madison, Madison, WI, United States*

^b *Institute for Research on Poverty, University of Wisconsin-Madison, Madison, WI, United States*

^c *Department of Economics, La Follette School of Public Affairs, University of Wisconsin-Madison, Madison, WI, United States*

^d *Department of Economics, University of Wisconsin-Madison, Madison, WI, United States*

Received 6 January 2005; received in revised form 5 December 2005; accepted 8 December 2005

Available online 3 March 2006

Abstract

The Wisconsin BadgerCare program, which became operational in July 1999, expanded public health insurance eligibility to both parents and children in families with incomes below 185% of the U.S. poverty line (200% for those already enrolled). This eligibility expansion was part of a federal initiative known as the State Children's Health Insurance Program (SCHIP). Wisconsin was one of only four states that initially expanded coverage to parents of eligible children. In this paper, we attempt to answer the following question: To what extent does a public program with the characteristics of Wisconsin's BadgerCare program reduce the proportion of the low-income adult population without health care coverage?

Using a coordinated set of administrative databases, we track three cohorts of mother-only families: those who were receiving cash assistance under the Wisconsin AFDC and TANF programs in September 1995, 1997, and 1999, and who subsequently left welfare. We follow these 19,201 "welfare leaver" families on a quarterly basis for up to 25 quarters, from 2 years before they left welfare through the end of 2001, making it possible to use the labor market information and welfare history of the women in analyzing outcomes.

We apply multiple methods to address the policy evaluation question, including probit, random effects, and two difference-in-difference strategies, and compare the results across methods. All of our estimates

* Corresponding author. Tel.: +1 608 262 6358; fax: +1 608 265 3119.

E-mail addresses: wolfe@lafollette.wisc.edu (B. Wolfe), kaplan@ssc.wisc.edu (T. Kaplan), haveman@lafollette.wisc.edu (R. Haveman), yoonyoungcho@wisc.edu (Y. Cho).

¹ These authors contributed equally to this work.

indicate that BadgerCare substantially increased public health care coverage for mother-only families leaving welfare. Our best estimate is that BadgerCare increased the public health care coverage of all adult leavers by about 17–25% points.

© 2006 Elsevier B.V. All rights reserved.

JEL classification: I18; I10

Keywords: Children's Health Insurance Program; BadgerCare; Health insurance coverage

1. Introduction

Soon after implementing the Wisconsin Works (W-2) welfare reform program in September 1997,¹ and in response to the federal State Children's Health Insurance Program (SCHIP), Wisconsin developed its "BadgerCare" program, and initiated it in 1999.² Unlike most other states' SCHIP programs, BadgerCare provides health insurance benefits to adults as well as children living in families. Moreover, families are eligible for coverage if their income is above that necessary to qualify for Medicaid but below 185% of the poverty line.³ The benefits provided are identical to those under the Medicaid program (in Wisconsin known as Medical Assistance, or MA). BadgerCare attracted liberal and conservative political support because it offered both a reduction in the uninsured low-income population and an incentive to employment in firms that may not offer health insurance.⁴ As such it is one of the most extensive state reforms in response to SCHIP, and its eligibility criteria, financing, and benefit structure have been studied by several other states and considered at the federal level.

¹ Although W-2 removed the entitlement to cash income support that existed under the Aid to Families with Dependent Children (AFDC) program, it ensured that all working-age adults with income at or below 115% of the poverty line and who are parents of minor children have the opportunity to participate in work activities. The state supported these activities with cash grants contingent on participation, child care assistance, and subsidized health insurance. According to Wiseman (1999), five features of W-2 distinguish it from reform policies in other states. First, the program focuses on adults, rather than children. Second, it denies cash assistance to most adults if they do not work full time. Third, eligibility for other services (health care, child care, transportation, child support enforcement) is not tied to receipt of cash benefits under Temporary Assistance for Needy Families (TANF), the successor to AFDC, and TANF funds are being used to augment some of these services. Fourth, the program places strong emphasis on individual responsibility and reciprocity. Finally, nongovernmental organizations are sometimes responsible for running W-2 programs.

² Wisconsin's BadgerCare program was one of four SCHIP programs that provided coverage to parents; programs in Minnesota, New Jersey and Rhode Island were the other three (Minnesota's was approved several months later than the other three.) Wisconsin's program began as a 1115 waiver program in July 1999 and has continued as such. The timing of Wisconsin's program and its independence from related predecessor programs makes it the most straightforward of these programs to study. For example, Minnesota's program was preceded by a state-funded program beginning in 1992, New Jersey's coverage began in fall 2000 and included federal fund match only to 133% of the federal poverty line, and Rhode Island's program was financed with state funds to provide coverage beginning in November 1998, and switched to 1115 waiver funds in early 2001. (For more detail see Howell et al., 2002.)

³ BadgerCare eligibility levels are 185% of the poverty line for new entrants and 200% of the poverty line for continuing enrollees.

⁴ Tommy Thompson, the governor of Wisconsin at the time, said repeatedly that BadgerCare was intended as a complement to W-2—as a source of health care support for W-2 participants as they moved off cash assistance and into work. On the State of Wisconsin web site, the program is described as follows: "BadgerCare seeks to eliminate barriers to successful employment by providing a transition for families from welfare to private insurance. BadgerCare is based on the premise that health care is essential for working families with children." <http://www.dhfs.state.wi.us/adgercare/html/glance-1.htm>.

Download English Version:

<https://daneshyari.com/en/article/961433>

Download Persian Version:

<https://daneshyari.com/article/961433>

[Daneshyari.com](https://daneshyari.com)