

October 7, 1999

Company Name
Contact Name
Address
City, ST Zip

Re: BadgerCare

One of our objectives at Mortenson, Matzelle & Meldrum, Inc. is to keep you informed about issues that may affect your employees. Effective 7/1/99 the State of Wisconsin Medicaid Program has been expanded to include BadgerCare. BadgerCare provides health care benefits to families and children who are not enrolled in a health insurance plan and are not eligible for Medicaid. We have enclosed a one page outline of the BadgerCare program for your review.

As an employer, you are not required to provide information to employees about BadgerCare. However, you may have employees asking you about the program. You can direct them to call the Department of Health and Family Services toll free number, 800-362-3002, for eligibility and enrollment information. If an employee ultimately applies for BadgerCare, you may be asked to complete an Employer Verification of Insurance Coverage (EVIC) Form.

As mentioned previously, employers have no obligation to inform employees about or to promote BadgerCare. Your employees work directly with Department of Health and Family Services. We hope this summary will prepare you to respond to questions you may receive. More detailed information is available on the DHFS website, www.dhfs.state.wi.us, as well.

Thank you for allowing us to be of service.

Sincerely,

Michael E. Victorson
Executive Vice President of Employee Benefits

BadgerCare Summary

Effective July 1, 1999 the State of Wisconsin Medicaid Program has been expanded to include BadgerCare. BadgerCare provides health care benefits to families and children who are not enrolled in a health insurance plan and are not eligible for Medicaid. BadgerCare is administered by the Department of Health and Family Services (DHFS) in accordance with the same mechanisms as the existing Wisconsin Medicaid HMO managed care system. Benefits under BadgerCare will be identical to the comprehensive package of benefits provided by Medical Assistance.

As an employer, you are not required to provide information to employees regarding BadgerCare. However, you may have employees asking you about the program. Therefore, we have included the following summary for your benefit.

Basic Eligibility

- Wisconsin resident with children under 19 living in household
- Not currently covered by a Health Insurance Plan (Plan) and not covered in the past 3 months (exception to 3 month rule for "good cause reasons")
- Family income below 185% of Federal Poverty Level (FPL)
- If Employer Subsidized Plan available, the employer pays less than 80% of family premium

Employer Responsibility for determining Eligibility

The Employer completes Employer Verification of Insurance Coverage Form.

Chart of Federal Poverty Level Monthly Premiums (for 1999, updated annually)

Family Size	150% FPL Annual	Monthly Premium	185% FPL Annual	Monthly Premium	200% FPL Annual	Monthly Premium
2	\$16,590	\$30	\$20,461	\$45	\$22,120	\$45
3	\$20,820	\$45	\$25,678	\$60	\$27,760	\$60
4	\$25,050	\$60	\$30,895	\$75	\$33,400	\$75
5	\$29,280	\$60	\$36,112	\$90	\$39,040	\$90
6	\$33,510	\$75	\$41,329	\$90	\$44,680	\$105

- Below 150% of FPL- there is no premium cost to BadgerCare recipient.
- At 200% of FPL- Current recipients of BadgerCare are removed from the program.
- There is no asset test requirement.

Two alternate arrangements:

BadgerCare Plan and Health Insurance Premium Payment program (HIPP)

When the state determines HIPP is preferred over the BadgerCare Plan, the employee and any dependents are enrolled in Employer Subsidized Plan. The employee's premium portion, as well as gaps in coverage between the Employer Plan and BadgerCare, is then paid by BadgerCare.

Health Insurance Premium Payment program (HIPP) Requirements

- Employer Subsidized Plan available with Employer contribution between 40-80%.
- Employee has not been enrolled in the Plan for last 6 months.
- State determines if Employer Subsidized Plan or BadgerCare plan will be used.

Additional information is available on the DHFS web site, www.dhfs.state.wi.us and through their toll free number 1-800-362-3002.

**Disclaimer- This is a summary interpretation of some important features of this government-run program. Any contrary information received from the Department of Health and Family Services will supersede assertions made here.*