**Fiscal Facts: The Picture of Health? Considering Medicaid Expansion in Wisconsin**

Expanding Medicaid coverage in Wisconsin would add fewer enrollees relative to other remaining non-expansion states, but deliver a much larger fiscal benefit to state taxpayers.

In Wisconsin, the state has already devoted much of its own tax dollars to paying for Medicaid coverage. More than half of the residents in the target group for Medicaid expansion already are enrolled in the program, a new Wisconsin Policy Forum report shows.

For Wisconsin, Medicaid expansion would tap into new ongoing and one-time federal funding, providing an estimated $1.7 billion savings to state coffers over the next two years. This could be spent to improve the state’s healthcare system, address other spending priorities, reduce taxes, or some combination.

Wisconsinites who would be newly enrolled in Medicaid likely would receive better coverage in terms of cost and benefits, the report finds. However, state residents, and by extension health care insurers and providers, would no longer receive substantial subsidies in the form of federal Affordable Care Act (ACA) tax credits – a factor for policymakers to also consider.

Another significant impact would be for medical providers, which would face the possibility of receiving reduced reimbursements for care due to some Wisconsinites shifting from ACA marketplace plans onto Medicaid coverage. To address this, policymakers could choose to use some or all of the projected expansion savings to boost Medicaid reimbursement rates to providers.

These are among the key findings from a new Wisconsin Policy Forum report, which analyzes the pros and cons of whether to expand Medicaid using federal ACA funding, as 40 other states have done. The report looks at other states’ Medicaid policies and lays out a range of options for Wisconsin policymakers, including how the state might use the savings from a potential expansion.

Milwaukee, Dane, and Brown counties account for one-third of Wisconsinites in the target income group for which the ACA incentivizes states to expand Medicaid: those between 100% and 138% of the federal poverty level. However, with the exception of Milwaukee County, the share of residents in this category is low in Wisconsin’s large urban areas. By contrast, six rural counties count at least 7% of their residents in this category and more than 8% of residents in Monroe, Rusk, and Forest counties fall into this group. In other words, residents of rural counties are most likely to benefit by Medicaid expansion.

Medicaid expansion would come with some offsetting costs. Moving ACA plan participants between 100 and 138% of the poverty level to Medicaid would mean that these individuals – and by extension their health insurers and providers – would no longer receive at least $283 million in federal tax credits through the ACA.

For Wisconsin, moving forward on Medicaid expansion likely would require a bipartisan compromise. The state’s options include maintaining the status quo, expanding Medicaid without a waiver from federal rules, or adopting a non-traditional approach to expansion that requires a federal waiver, as some states have done. An additional possibility could be to start small with a more modest coverage proposal that could include a work referral program or other accountability components.

*This information is a service of the Wisconsin Policy Forum, the state’s leading resource for nonpartisan state and local government research and civic education. Learn more at* [*wispolicyforum.org*](https://wispolicyforum.org/research/state-tax-burden-up-but-overall-burden-still-falling/)*.*