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Big companies fill BadgerCare rolls

More than 40% who get aid are employed by Wal-Mart

By STACY FORSTER

sforster@journalsentinel.com

Madison - Wisconsin's tax-supported health care program for the working poor spends millions of dollars each year covering the health costs of employees of some of the state's largest companies, such as Wal-Mart and Aurora Health Care.

Advertisement According to new figures from the state Department of Health and Family Services, the 10 employers with the most participants in BadgerCare cost the state about \$6.4 million a year.

In April, about 2,919 employees and their dependents were enrolled in the state program from those 10 companies, with more than 40% of the employees working for discount retailer Wal-Mart.

The cost shifting comes at a time when Wisconsin's Medicaid program is in crisis, facing a \$650 million budget gap over the next two years.

Some contend that many of the BadgerCare enrollees are making job transitions and are exactly the population the program was intended to cover.

Nonetheless, state officials remain concerned that businesses struggling to cope with soaring health care costs are making it harder and more expensive for workers to sign up for health care coverage, prompting more low-income employees to seek public aid.

"They're always looking for ways to save costs," said Jason Helgerson, executive assistant to Health and Family Services Secretary Helene Nelson. "That's not just bad for the state, but bad for the business themselves to make that choice," because employees want to work for companies that provide good benefits.

BadgerCare is intended to provide health services to residents whose incomes are too high for enrollment in the state's standard Medicaid program for the poor, elderly and disabled.

To be eligible for BadgerCare, an applicant's family income must be below 185% of the poverty level, or \$17,704 for an individual and \$35,797 for a family of four. A family would not qualify if it has access to a group health insurance plan for which the employer pays at least 80% of the cost.

Those with incomes above 150% of the poverty level, or \$14,355 for individuals and \$29,025 for a family of four, pay a premium of about 5% of their income for BadgerCare coverage. Those below that level pay nothing.

Program working

Covering workers at the low end of the income scale was the original goal for BadgerCare, said Jim Pugh, spokesman for Wisconsin Manufacturers & Commerce, a business trade group. With that in mind, he said, the new figures show the program is working as it was intended.

"They're working their way up the ladder to become a full-time employee and get coverage," Pugh said. "It should not come as a surprise to anyone that low-wage and people who aren't making a lot of money or working full time would be enrolled in BadgerCare."

But many employees have been shut out of coverage as Wisconsin shifts its economic base to more service and retail jobs, which traditionally don't offer the level of benefits that have been available to those in manufacturing jobs.

"(Employers) are now building business models around paying employees as little as possible, providing few benefits and expecting taxpayers to pick up the tab," said Robert Kraig, political director for Service Employees International Union Wisconsin State Council.

The biggest employer of BadgerCare recipients was Wal-Mart, which had 809 of its employees and 443 of employee dependents enrolled in the state program in April. Providing health care for those 1,252 people costs Wisconsin about \$2.7 million a year; Wal-Mart turned a profit of \$10.3 billion in 2004.

Wal-Mart's size is going to put the company at the top of any list, company spokesman Dan Fogleman said. More than 26,000 people work for the company in Wisconsin.

Wal-Mart employees pick up one-third of the total premium cost for their insurance, Fogleman said.

Eligibility for full-time employees kicks in after 180 days, but part-time employees must wait for two years.

Wal-Mart has helped remove people from the ranks of uninsured, Fogleman said. In the three months before they started working at Wal-Mart, 7% of company employers were on Medicaid, according to a December survey of Wal-Mart workers. After two years on the job, that drops to 3%, Fogleman said.

"Let me be very clear we do not design our plans to be supplemented by public assistance programs, nor do we encourage our associates to apply for them," he said.

Putting more cost on companies

Although its future is murky in the business-friendly, Republican-controlled state Legislature, legislation from Rep. Terese Berceau (D-Madison) and Sen. Dave Hansen (D-Green Bay) would force Wal-Mart and other top employers to pay more for employee's health care or reimburse the state for the cost of covering their employees.

Pugh called the legislation "a bad idea" that would harm the state's business environment. He said a better solution would be to evaluate BadgerCare eligibility criteria to be sure that only people who are eligible are allowed to enroll.

BadgerCare enrollment dropped more than 20% since March 2004 after the state started requiring employers to verify a worker's eligibility.

Health care giant Aurora has 187 employees and 134 of their dependents in BadgerCare, at a total projected cost of more than \$701,000 annually. Aurora's totals represent less than 1% of the health care company's 25,000 workers in Wisconsin.

Aurora Spokeswoman Mary Alice Tierney said the non-profit company's benefit plans for the vast majority of full- and part-time workers cover more than 80% of premium costs.

"We're committed to helping people stay healthy, and that absolutely includes our employees," Tierney said, adding that employees working fewer than 20 hours a week might have to shoulder a higher percentage of costs and instead opt for BadgerCare.

Many of the employers on the list don't meet that 80% threshold - which alone would make their workers eligible for BadgerCare.

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