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NEWS FOR IMMEDIATE RELEASE

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**Federal Tax Threatens to Remove \$30 Million from BadgerCare Plus;
AG Schimel Files New Lawsuit Seeking a Restraining Order Against
Trump Administration**

MADISON, WIS. – Today, Attorney General Brad Schimel announced that the Wisconsin Department of Justice (DOJ) has filed a new lawsuit, along with a motion for a temporary restraining order, to prevent President Trump’s Administration from taking more than \$30 million from the Wisconsin Medicaid and Children’s Health Insurance Program (also known together as BadgerCare Plus). The filing is joined by Texas, Louisiana, Indiana, Kansas, and Nebraska.

“On behalf of Wisconsin, I will continue to fight to protect our healthcare dollars,” said Attorney General Schimel. “Our healthcare programs should not be overburdened with this illegal tax that threatens Wisconsin’s ability to care for those who need medical services the most.”

Wisconsin’s new lawsuit relates to the Health Insurance Providers Fee (“HIP Fee”), which is a tax imposed as part of the Affordable Care Act. Congress specifically exempted the states from paying the tax, yet the Internal Revenue Service (IRS) and Department of Health and Human Services (HHS) have imposed the tax in such a way as to illegally require the states to pay it.

In 2016, Attorney General Schimel and five other states successfully sued to strike down a rule that allowed the HIP fee to be imposed upon the states. As a result of that ruling, the U.S. District Court recently ordered the federal government to repay \$89 million to Wisconsin as a result of the HIP Fee imposed in years 2014, 2015, and 2016. Congress imposed a moratorium on the fee for 2017.

Despite this ruling, the IRS and HHS seeks to impose the tax again in 2018. For Wisconsin, the tax is due on September 25, 2018, and amounts to more than \$30 million.

A copy of the lawsuit and the motion for a temporary restraining order are attached, along with a copy of Wisconsin's affidavit in support of the motion, and a recent letter from Wisconsin to insurance companies that provide Medicaid and CHIP to Wisconsin residents.