

Citizen Action of Wisconsin: As critical House vote nears, GOP pushes substandard health coverage that legalizes new pre-existing condition discrimination

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Statewide: As House Speaker Paul Ryan attempts to cobble together enough votes to pass the Republican health care plan later today, it has become clear in the late stages of negotiations that Ryan is seeking to hollow out the quality of coverage in order to moderate excessive increases in health premiums that would result from his plan. The result will be a back-door legalization of discrimination against people with pre-existing conditions.

Here is Wisconsin, the emphasis on gutting the quality of insurance is evident in the GOP response to a Citizen Action of Wisconsin [research brief released on Tuesday](#). The Citizen Action research shows a 64 year-old making a modest \$26,500 per year would be asked to pay 650% more in health insurance premiums than under the Affordable Care Act. Under the Ryan plan it would cost a moderate income senior on average a completely unaffordable \$11,359 per year for health insurance premiums alone in Wisconsin (excluding deductibles and co-pays), and even more in many Wisconsin cities. Read the full research brief [here](#).

It was [reported by Wisconsin Public Radio](#) this morning in its story on the Citizen Action research findings that “Republican State Rep. Joe Sanfelippo said he doesn’t believe that older adults will have to forgo their health insurance because the new plan encourages the sale of insurance across state lines, which would boost competition and lower the cost of premiums. ‘That’s going to give people an incentive to remain covered with insurance,’ Sanfelippo said.”

But what Sanfelippo did not make clear is that even if insurance companies rushed to sell more policies across state lines, the resulting cost savings would come from a race to the bottom: while substandard policies approved in states with fewer regulations might have lower premiums, it comes at the cost of much higher deductibles, co-pays, and fewer essential medical services covered. Such health policies would only be cheaper for consumers who did not have to use them. In addition, [research has shown](#) that this scheme has utterly failed in all the states that have tried it because of the difficulty of negotiating new deals with health providers in each state.

Similarly, [media reports](#) indicate that Paul Ryan is proposing to eliminate the Affordable Care Act requirement that all health insurance policies cover essential health benefits. The plan already eliminates the requirement that policies cover at least 60% of the cost of medical care. While these moves to lower the quality of health insurance might somewhat reduce the sticker shock of the GOP health plan, they will cost people even more when they try to use their health insurance to pay for medical care.

“The schemes by conservative politicians to legalize substandard health insurance policies which charge huge co-pays and fail to cover essential medical services is nothing but a shell game which will leave millions of Americans dangerously underinsured when they need health care the most,” said Robert Kraig, Executive Director of Citizen Action of Wisconsin. “These substandard insurance schemes are especially dangerous for people with serious diseases and chronic conditions, who need quality health insurance which covers all necessary medical care and is affordable to use.”

In addition, repealing essential benefits in the Affordable Care Act or allowing health insurance policies approved by any state to be sold nationally make protections against pre-existing condition discrimination ineffective.

“If health insurance companies can exclude medical services, they will be in a

position to game the system by making their policies ineffective for people with the most expensive pre-existing medical conditions,” said Kraig. “What conservative politicians are really doing is finding a backdoor way to re-legalize insurance discrimination against people with pre-existing conditions.”