

Citizen Action of Wisconsin: State of the State response: Walker's insurance industry giveaways won't make health care affordable

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BadgerCare Public Option, Medicaid Expansion and other reforms would do much more to address health care affordability

Statewide: On a media call this morning, Citizen Action of Wisconsin, legislators, health professionals, and consumers offered their diagnosis of the health care proposals that will be made today in Governor Scott Walker's State of the State Address. Full audio of the media call can be accessed [here](#).

Walker's sudden interest in addressing the health insurance affordability crisis will not undo the damage his 7 years of sabotage has done, let alone make coverage affordable for most Wisconsinites.

The centerpieces of Walker's plan are two proposals designed to directly benefit health insurance companies.

First, Walker is proposing a complicated scheme called "reinsurance" which would funnel \$200 million in direct public subsidies to insurance companies in the hope that they would lower premiums for some consumers. The proposal does not require that health insurance companies pass on any savings to consumers, and even if

they did it would only impact a small percentage of Wisconsinites.

Second, Walker would enact legislation (already passed by the Assembly) which would allow health insurance companies to trample on the rights of people with health conditions by charging exorbitant rates to anyone who has a gap in coverage. This provision, which would essentially re-legalize discrimination against people with health conditions who lose their insurance, would only take effect if Congress repeals the Affordable Care Act (ACA), which contains much stronger protections. Walker has repeatedly called for the repeal of the ACA.

Reinsurance would impact very few Wisconsinites. It would not help anyone who gets insurance at work or small businesses or most people who buy insurance on their own. Although Governor Walker claims it is focused on people who buy insurance on their own, it will not impact 83% of the Wisconsinites who buy health coverage through the ACA marketplace and receive tax subsidies. Reinsurance will not effect deductibles or copays. Although it will modestly help the 17% of enrollees who make too much money to be eligible to federal tax credits, it is estimated [according to national research](#) to lower premiums only by an average of 4%. [According to Citizen Action Wisconsin research](#), premiums increased by over 50% statewide from 2017-2018, and by even more in some areas of the state.

There are a number of far more effective policy changes that would make health coverage much more affordable if we deployed the full power of state government.

1. Opening BadgerCare to everyone in Wisconsin as a public option would, at no cost to the state, [reduce premiums and deductibles by an average of 24%](#). It would also help people who buy insurance on their own and small businesses, most of whom cannot afford to provide coverage to their employees.
2. Reversing Walker's decision to turn down the Medicaid expansion money in the ACA could reduce [premiums by about 7%](#).
3. Reversing the Walker Administration's decision to allow the sale of substandard "lemon" plans in Wisconsin could reduce [premiums by as much as 10%](#).

Walker's sudden reversal does not go nearly far enough to the undo the damage he has done through his ceaseless efforts to undermine the ACA. As Citizen Action of Wisconsin has continuously documented, the Walker Administration has sought to sabotage the ACA by encouraging healthy people to [buy substandard policies outside of the market](#), [refusing to enact robust rate review](#), [turning down Medicaid expansion](#), hamstringing health care navigators, rubber stamping health insurance industry mega mergers, and seeking waivers that would allow insurance companies to take larger profits. Taken together the Walker Administration has [aided and abetted the ongoing effort of the national for-profit insurance companies](#) to continue to insure healthy people and find ways to avoid covering people with pre-existing health conditions.

"It is amazing that the best Walker can come up with to address skyrocketing health care costs is giveaways for big insurance companies," said Robert Kraig, Executive Director of Citizen Action of Wisconsin. "Walker now finds it politically convenient in an election year to pretend to care about health care costs, but his refusal to effectively use the power of state government makes it impossible for him to meaningfully address the affordability crisis. More corporate subsidies are not the answer. It is a simple truth that only "we the people," through the agency of our own democratic government, can guarantee health care to everyone in Wisconsin."

"I didn't have health insurance coverage before I was elected," said State Sen. LaTonya Johnson, the Senate author of the BadgerCare Public Option bill. "Six months after being elected, I needed a life-saving surgery. As elected officials it is our responsibility to make sure other Wisconsinites have insurance like we do."

"Scott Walker will accept federal money to pay subsidies to insurance corporations, but won't accept it to expand BadgerCare for Wisconsinites," said State Rep. Eric Genrich, the Assembly author of the BadgerCare Public Option bill.

"I have worked in emergency rooms and free clinics. When I am able to help get patients on BadgerCare, they can afford to get care and not wind up in emergency situations," said Emily Siegrist, a nurse practitioner who is also a candidate for Assembly District 24. "We need to accept Wisconsin taxpayer dollars back into the state and expand BadgerCare."

"I pay \$1,900 a month for health insurance and that doesn't even cover vision. I can't buy new glasses because I can't afford it. When my husband hurt his shoulder, we had to pay about \$3,000 for our deductible." said Julie Henszey, a health care

consumer who candidate for Senate District 5. “If we passed BadgerCare public option, I would pay \$600 for insurance, including vision, and have a very low deductible. I’m running for office to reverse Walker’s irresponsible decisions on healthcare.”