

Office of the Commissioner of Insurance: Testifies on AB 885 and SB 770 relating to Wisconsin's Health Care Stability Plan

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CONTACT: Elizabeth Hizmi, Public Information Officer
(608) 267-9460
elizabeth.hizmi@wisconsin.gov

Madison, WI—Today, Deputy Commissioner JP Wieske testified before the Joint Committee on Finance of the Wisconsin State Legislature on Assembly Bill 885 and Senate Bill 770 relating to creating a state based reinsurance plan; the Health Care Stability Plan.

“Most individuals in Wisconsin receive coverage through their employer, which remains a relatively stable market,” said Commissioner Nickel. “However, over 200,000 Wisconsinites are facing a fragile individual market. As Governor Walker mentioned in his State of the State Address earlier this year, we need to do what we can at the state level to stabilize Wisconsin’s individual health insurance market. The Health Care Stability Plan is one step towards addressing the Affordable Care Act (ACA) issues created by a one-size-fits-all federal government solution. This is a step towards stabilizing the market, bringing insurers and choices back to Wisconsin consumers for more affordable coverage.”

Wisconsin consumers continue to lose coverage choices as insurers leave the individual market or shrink service areas. Insurers have significantly limited their service areas or dropped out of the individual market entirely. As a result, over 75,000 people had to change insurers for their 2018 coverage and many of them

had one or two insurers to choose from. In the last three years, insurers have lost over \$400 million in Wisconsin's individual market. Insurance rates have skyrocketed – in one rating region the rate for the second lowest cost silver plan (the basis for federal subsidies) increased over 100 percent.

Assembly Bill 885 and Senate Bill 770 permits the Office of the Commissioner of Insurance (OCI) to seek a federal 1332 Waiver for State Innovation under the ACA allowing for the operation of a reinsurance plan. A 1332 Waiver permits states to pursue innovative strategies to ensure residents have access to affordable health insurance options. In doing so, it requires states to:

- Provide coverage that is as comprehensive and affordable as it was without a waiver;
- Provide coverage to at least a comparable number of state residents as would be provided absent the waiver; and
- Ensure no increase to the federal deficit.

Wisconsin is considering a bifurcated process. Initially, the state is looking at a reinsurance program similar to waivers that were approved for other states. The second part of the process will take additional time and will seek to develop additional changes helping further stabilize the individual market long term. A second waiver proposal is anticipated for consideration in early 2019 and will potentially impact the 2020 plan year.