

Gov. Evers: Medicaid expansion in Wisconsin would lower premiums for those with private insurance

Posted on Thursday, Jun 6, 2019

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Contact: GovPress@wisconsin.gov or 608-219-7443

MADISON — Medicaid expansion in Wisconsin would not only cover 82,000 more people and save Wisconsin taxpayer dollars by drawing down \$1.6 billion in new federal funds to reinvest in health and wellness initiatives, but it would also reduce health insurance premiums for those with private insurance purchased on the federal marketplace.

[That's according to new research released by Health Affairs](#), a nonpartisan leader on health policy, which showed that expanding Medicaid in Wisconsin would likely lower health insurance premiums substantially for individuals purchasing coverage on the federal marketplace.

The study compared marketplace premiums in Wisconsin to marketplace premiums in neighboring states that expanded Medicaid.

Controlling for a range of county-level demographic, market, and policy characteristics, the study found that expanding Medicaid produced individual marketplace premiums that were 19 percent lower among Wisconsin's neighbors than in Wisconsin over the 2014-2018 time period. This means that Wisconsin residents who purchase coverage on the individual market are paying up to \$57—or \$684 per year—more for their premiums than people who live in neighboring states that expanded Medicaid.

“Expanding Medicaid in Wisconsin is not just the morally and fiscally responsible thing to do — it’s what the people want, and for good reason,” Gov. Tony Evers said. “By bringing \$1.6 billion of Wisconsin’s federal tax dollars back into our state to cover more people and improve healthcare for all Wisconsinites, we can also reduce healthcare premiums for folks with private insurance. This should be the easiest decision in the budget. I urge Republicans in the legislature to pay attention to the facts, pay attention to the people of Wisconsin, and work with me to get this done.”

Previous research has also shown that Medicaid expansion improves the risk pool and lowers premiums in the individual marketplace. That’s because when states expand Medicaid to more low-income populations, some of these newly eligible individuals move from the individual marketplace onto public coverage. Since this group is relatively less healthy than higher-income groups that remain in the marketplace, the risk pool improves, costs go down, and premiums are lower.