

# Joint Audit Committee: Audit offers an initial look at Wisconsin Healthcare Stability Plan

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MADISON - Yesterday, the nonpartisan Legislative Audit Bureau (LAB) released a limited-scope review of the Wisconsin Healthcare Stability Plan (report 22-4). The Office of the Commissioner of Insurance (OCI) administers the Plan, which was created in 2018.

Under the Plan, a health insurer that provides coverage in the individual market, as opposed to group plans, may be reimbursed for a portion of the claims it incurred in the prior calendar year. The Plan is financed primarily through federal funds and in 2020 and 2021, OCI spent all available federal funds. OCI reimbursed health insurers \$174.3 million in 2020 and \$183.5 million in 2021.

Administrative rules require OCI to conduct an annual verification audit to determine whether the claims submitted by health insurers are eligible for reimbursement. LAB found that OCI did not follow its policies for selecting the individuals and the claims to include in OCI's verification audit in 2020. LAB recommends that OCI improve how it audits the claims.

Statutes require the Plan to have a goal of increasing the participation of health insurers in the individual market. LAB determined the number of types of plans offered by health insurers in each county from 2018, which was the year before the Plan began, through 2022. LAB found that the number of types of plans increased in 39 counties.

"The report analyzed information from OCI, which showed that in the first two years of the Healthcare Stability Plan, enrollee's in the individual healthcare plans saw on

average a monthly savings of \$102 in lower premiums by the second year. While healthcare insurance is complex and multifaceted, increased plan offerings and lower premiums were always the envisioned outcomes of the Healthcare Stability Plan. I am pleased to see that this plan was able to help thousands of Wisconsinites with incredibly high insurance claims and contribute to lowering costs on families,” said Senator Robert Cowles (R-Green Bay).

LAB’s review considered the Plan’s effects through 2020, which was only the second year of the Plan. LAB recommends that OCI report to the Joint Legislative Audit Committee in June 2022 on the extent to which the Plan met specified goals over the Plan’s first three years.

Copies of LAB’s report (report 22-4) may be obtained from its website at [www.legis.wisconsin.gov/lab](http://www.legis.wisconsin.gov/lab) or by calling (608) 266-2818. Report concerns related to state government activities to LAB by calling the toll-free hotline at 1-877-FRAUD-17.