

Wisconsin Association of Health Plans

The Voice of Wisconsin's Community-Based Health Plans

Written Comments Submitted to the Office of the Commissioner of Insurance (OCI) Wisconsin Healthcare Stability Plan (WIHSP) Public Forum

July 30, 2020

Wisconsin's community-based health plans would like to thank Governor Tony Evers for his continued support of the Wisconsin Healthcare Stability Plan. The Wisconsin Association of Health Plans supported the bipartisan legislation that established WIHSP and continues to view the program as a valuable tool for lending stability to the individual market.

The Wisconsin Association of Health Plans is the voice of 12 Wisconsin community-based health plans that provide coverage to employers, government programs, and individuals across the state. Association members comprise seven of the 13 health plans that provide individual market coverage through the federal Exchange in 2020. Many Association members have served customers through the Exchange since it first opened for business in 2014.

In each of its first two years of operation, WIHSP has contributed to year-over-year reductions in average premiums. A stable insurance market with affordable, high-quality options is even more important during the COVID-19 pandemic, as changing incomes and unemployment will likely cause more people to rely on the individual market for coverage.¹

The exact impact COVID-19 will have on utilization and costs is evolving. The direct health care costs associated with the pandemic itself are highly dependent on the infection rate, hospitalization rate, and testing prevalence.^{2,3,4,5} The pandemic's ripple effects—which are numerous and likely to continue into 2021—are equally hard to anticipate at this time.⁶ Amid this uncertainty, the Wisconsin Healthcare Stability Plan provides an important backstop.

Wisconsin's community-based health plans recognize and appreciate the critical role WIHSP will play both in 2020 and 2021. The Wisconsin Association of Health Plans encourages state policymakers to continue Wisconsin's commitment to the program and build upon WIHSP's documented success. Wisconsin's community-based health plans welcome the opportunity to work with OCI and the Evers Administration to continue maximizing WIHSP's premium impact—whether by reinvesting unspent funding, allocating additional resources, or both.

¹ Health Management Associates. COVID-19 Impact on Medicaid, Marketplace, and the Uninsured, by State. Available at: <https://www.healthmanagement.com/wp-content/uploads/HMA-Estimates-of-COVID-Impact-on-Coverage-public-version-for-April-3-830-CT.pdf>.

² Wakely. COVID-19 Cost Scenario Modeling: Treatment. Available at: https://www.ahip.org/wp-content/uploads/AHIP-COVID-19-Modeling-Update_Wakely-2020.06.pdf.

³ Wakely. COVID-19 Cost Scenario Modeling: Testing. Available at: <https://www.ahip.org/wp-content/uploads/AHIP-Wakely-COVID-19-Testing-Report.pdf>.

⁴ Covered California. The Potential National Health Cost Impacts to Consumers, Employers and Insurers Due to the Coronavirus (COVID-19). Available at: <https://hbex.coveredca.com/data-research/library/COVID-19-NationalCost-Impacts03-21-20.pdf>.

⁵ Society of Actuaries. COVID-19 Costs to Commercial Health Insurers. Available at: <https://www.soa.org/globalassets/assets/files/resources/research-report/2020/covid-19-cost-commercial.pdf>.

⁶ American Academy of Actuaries. Drivers of 2021 Health Insurance Premium Changes: The Effects of COVID-19. Available at: <https://www.actuary.org/sites/default/files/2020-06/PremiumDrivers2021.pdf>.