



Wisconsin Office of the
COMMISSIONER
OF INSURANCE

2023 Wisconsin Healthcare Stability Plan Annual Forum

July 18, 2023

Agenda

1. 1332 State Innovation Waiver
2. Wisconsin Healthcare Stability Plan (WIHSP)
 - WIHSP: What is it?
 - WIHSP Example: Plan Year 2022
 - WIHSP: Payment to Insurers
 - WIHSP: Individual Market Impact
3. Questions



1332 State Innovation Waiver (1332 Waiver)

- Section 1332 of the Affordable Care Act (ACA) allows states to apply for exceptions from certain ACA provisions
- The Wisconsin Healthcare Stability Plan (WIHSP) operates under a 1332 Waiver and 2017 WI Act 138
- Initial 1332 Waiver and Extension
 - Initial waiver: January 2019 through December 2023
 - 5-year extension: January 2024 through December 2028



Wisconsin Healthcare Stability Plan (WIHSP): What is it?

Goal: create a stable individual insurance market where individuals have a choice of health plans with affordable premiums

How: WIHSP reimburses insurers for a portion of the high cost claims they paid for individuals in a given plan year

- 15 individual market insurers
- Payment parameters are established to define the portion of costs that are reimbursed
- Payment parameters can change from year to year and are established by May 15th before the applicable plan year

Funding: federal pass-through funds and state General Purpose Revenue (GPR)

- Pass-through funds represent the estimated federal savings available from reduced premiums
 - Reduced premiums means the federal government pays less in premium tax credits
- WIHSP is limited to \$230 million (*state & federal funds*)



WIHSP Example: Plan Year 2022

PY 2022 by the Numbers:

\$40,000 attachment point (minimum claims)

50% coinsurance (program share)

\$175,000 cap (maximum claims)

Approximately \$230.7 million in WIHSP claims filed for PY 2022

- Over \$230 million statutory limit by roughly .305%
 - OCI prorating payments to insurers, i.e. reducing each insurers payment by .305%
- \$208.3 million in federal pass-through funds available
 - \$181.9 million in PY 2022 federal pass through funds and \$26.4 million in federal carryover funds
 - \$21.7 million state GPR

PY 2022 payments will be made to insurers following an initial audit of the claim filings, but no later than August 15, 2023



WIHSP: Payment to Insurers

Plan Year	Total WIHSP Claims (millions)	Federal Funding (millions)	State Funding (millions)
2019*	\$174.0	\$127.0	\$47.0
2020*	\$183.0	\$142.0	\$42.0
2021**	\$203.0	\$229.0	\$0
2022***	\$230.7	\$208.3	\$21.7

*WIHSP Statutory Cap for PY 2019 through PY 2021 was \$200 million.

**OCI received Joint Committee on Finance approval to fund the PY 2021 \$3.0 million overage. Unspent federal funds were carried over to the next plan year.

***The Statutory Cap for PY 2022 was \$230 million. Insurer payments were reduced by .305% to meet the \$230 million limit.



WIHSP: Individual Market Impact

Member Premium Changes with and without Reinsurance¹

	2019	2020	2021	2022	2023
Member Premium Change <i>with</i> Reinsurance	-3.3%	-3.2%	-3.4%	-0.3%	7.6%
Member Premium Change <i>without</i> Reinsurance	7.8%	9.3%	10.4%	14.8%	21.4%
Impact of Reinsurance	-10.3%	-11.4%	-12.5%	-13.2%	-13.7%

¹ Source for plan years 2019-2022: Wakely Consulting Group, LLC, (2022) "Section 1332 State Innovation Waiver Extension Actuarial and Economic Analysis"

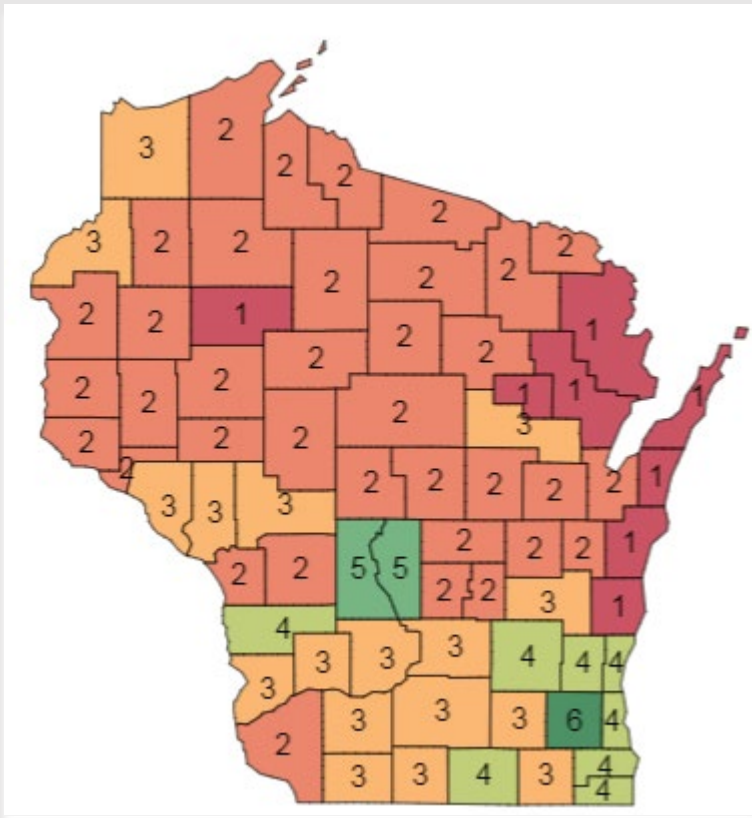
Source for plan year 2023: WI Office of the Commissioner of Insurance



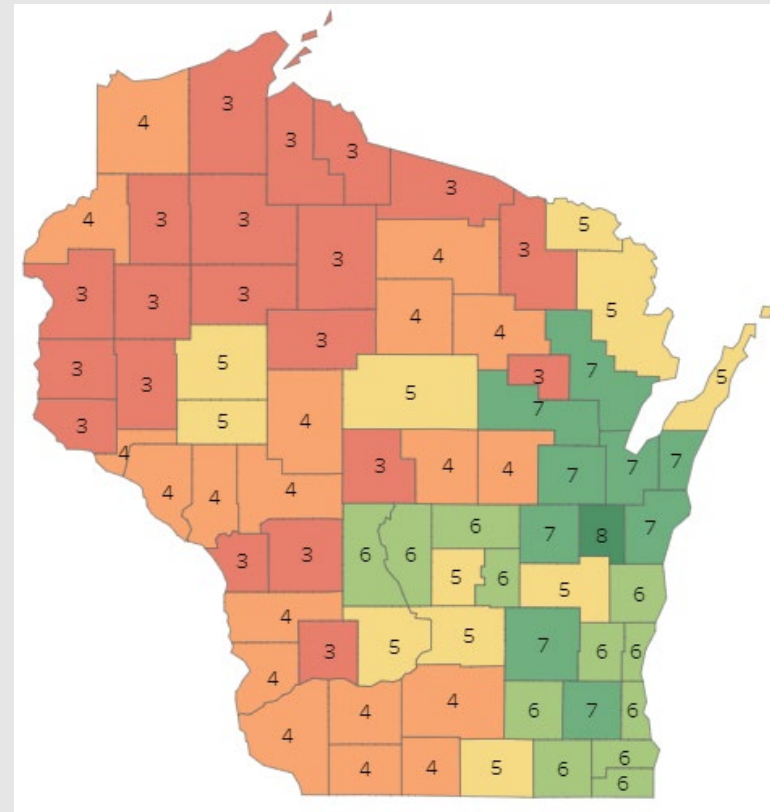
WIHSP: Individual Market Impact

Service Area Expansion

2019



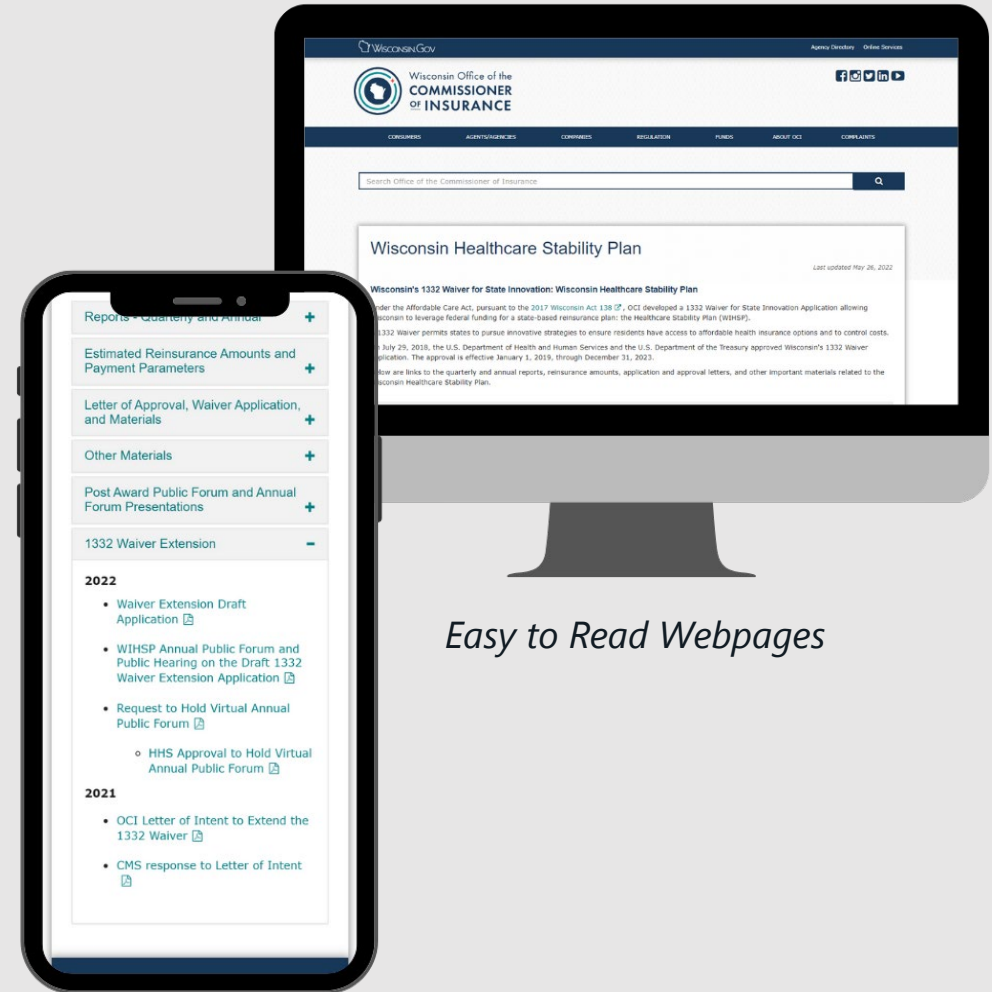
2023



Links & Resources

WIHSP information is available on the OCI website: oci.wi.gov/WIHSP

Send comments or questions to:
OCIWIHSP@Wisconsin.gov



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Thank you!



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