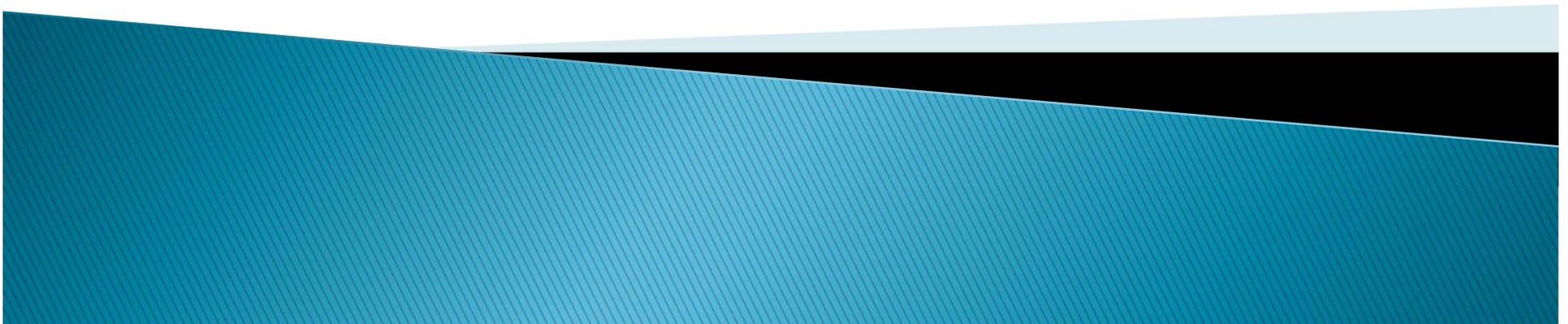


Wisconsin Healthcare Stability Plan

Public Forum
May 7, 2019



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2017 WI Act 138

- ▶ Creates the Wisconsin Healthcare Stability Plan (WIHSP), a reinsurance program, contingent upon federal 1332 Waiver approval
 - ▶ Allows for a reinsurance program of up to \$200 million
 - ▶ Establishes an attachment point model
 - Claims between an attachment point and reinsurance cap will be reimbursed at a specific coinsurance rate
 - ▶ Establishes reporting and payment dates
 - ▶ Provides the commissioner with the authority to promulgate rules necessary to implement WIHSP
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1332 Waiver Approval

- ▶ Following enactment of Act 138, OCI applied for a 1332 Waiver
 - A 1332 Waiver was needed to implement WIHSP
 - 1332 is in reference to a section of the Affordable Care Act (ACA) that allows states to apply for exceptions from certain ACA provisions
 - Wisconsin requested a waiver of the ACA single risk pool requirement to allow insurers to adjust individual rates to account for reinsurance
- ▶ The federal Department of Health and Human Services (HHS) approved Wisconsin's 1332 Waiver application on July 29, 2018



WIHSP: What is it?

- ▶ Act 138 & 1332 Waiver Approval allows OCI to operate a 5-year, \$200 million reinsurance program, effective January 1, 2019
- ▶ Anticipated funding for plan year 2019:
 - \$128.0 million federal
 - \$72.0 million state (included in Gov. Evers' budget)
- ▶ Insurers offering coverage in the individual market may participate
 - Excludes grandfathered and transitional plans



WIHSP: How Will it Work?

- ▶ WIHSP will reimburse a portion of an insurer's paid claims falling between established payment parameters
 - 2019 Payment Parameters:
 - Attachment Point is \$50,000
 - Cap is \$250,000
 - Co-insurance is 50%
- ▶ Example:
 - Insurer pays \$80,000 in claims for an enrollee
 - $\$80,000 - \$50,000 = \$30,000$
 - $\$30,000 \times .50 = \$15,000$ (WIHSP payment to insurer)



WIHSP: Individual Market Impact

- ▶ Average 4.2% individual market premium rate decrease in 2019; compared to an estimated 10% increase without the program in place
- ▶ Molina resumed sales on the Exchange and expanded their off-Exchange service area
- ▶ Total of 12 insurers offering coverage on-Exchange and 3 off-Exchange only



WIHSP: Key Dates *(Near-Term)*

- ▶ **March 21, 2019 through present:** OCI working on permanent administrative rule
 - Emergency rule in effect since November 2018
 - Includes operational details of the program
- ▶ **April 30, 2019:** No later than this date, HHS confirms federal pass-through (contribution) amount
 - WI received confirmation on April 26
- ▶ **May 15, 2019:** OCI to establish payment parameters for the 2020 Plan Year (PY)
 - OCI released draft 2020 parameters for public comment on April 18, comments accepted through May 3
 - Public hearing held on April 29



WIHSP: Key Dates *(Near-Term)*

- ▶ **May 15, 2019:** Insurer 1st Quarter claims data due to OCI
 - Insurers are required to submit eligible claims data to OCI 45 days from the end of each financial quarter
- ▶ **May 31, 2019:** OCI 1st Quarter operational report due to HHS
 - Data will indicate aggregate claims reported for the quarter
 - Data will be posted to the OCI website and sent to participating insurers



WIHSP: Key Dates *(Long-Term)*

- ▶ **September 15, 2019:** OCI “Pass-Through” report for PY 2020 due to HHS
 - OCI’s estimate of PY 2020 pass-through amount (federal contribution)
- ▶ **October 31, 2019:** HHS to provide OCI with estimated pass-through amount for PY 2020
- ▶ **May 15, 2020:** Final PY 2019 claims data due to OCI from Insurers
 - WIHSP payments will be based on data contained in these final reports



WIHSP: Key Dates *(Long-Term)*

- ▶ **June 30, 2020:** OCI provides insurers with preliminary estimate of reinsurance payments
- ▶ **August 15, 2020:** OCI disburses PY 2019 payments to insurers



Questions

