



Wisconsin Office of the
COMMISSIONER
OF INSURANCE

Wisconsin Healthcare Stability Plan

Annual Public Forum

July 30, 2020

Content Overview

- Annual Public Forum
- 2017 WI Act 138/1332 Waiver Approval
- Wisconsin Healthcare Stability Plan (WIHSP): What is it?
- Program Details for Plan Years 2019, 2020, & 2021
- Individual Market Impact
- Questions



Annual Forum

- Federal regulations require the state to annually afford the public an opportunity to provide meaningful comment on the progress of the 1332 waiver/WISHP
- Intent of this webinar is to meet that requirement with an update on the program and provide an opportunity for members of the public to ask questions



2017 WI Act 138/1332 Waiver Approval

- Act 138 created the Wisconsin Healthcare Stability Plan (WIHSP), a reinsurance program, contingent upon federal 1332 Waiver approval
- OCI applied for a federal 1332 Waiver in April 2018
 - 1332 is in reference to a section of the Affordable Care Act (ACA) that allows states to apply for exceptions from certain ACA provisions
- OCI received Waiver approval from the federal Department of Health and Human Services (HHS) on July 29, 2018



WIHSP: What is it?

- WIHSP is a 5-year, \$200 million reinsurance program, effective January 1, 2019
- Insurers offering coverage in the individual market may participate
 - 15 insurers in Plan Years 2019 & 2020
 - Excludes grandfathered and transitional plans
- WIHSP reimburses a portion of an insurers paid claims falling between established payment parameters
 - Payment parameters are set by May 15th the year prior to the applicable plan year (PY)



WIHSP: Program Details PY 2019

- Payment Parameters
 - Attachment point: \$50,000
 - Co-insurance: 50%
 - Reinsurance cap: \$250,000
- 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)
- \$128.0 million in federal funding & \$72.0 million in state funding available to pay WIHSP claims



WIHSP: Program Details PY 2019

- For PY 2019, insurers submitted WIHSP claims in the amount of \$174.0 million
- OCI 2-phase verification audit process:
 - Phase 1: OCI collects individual claim amounts for 60 enrollees across the program
 - Insurers submitted data to OCI on 7/15; OCI reviewing
 - Phase 2: OCI requests proof of payment for 2 claims for each enrollee reviewed under Phase 1
 - Anticipate this beginning August 25, 2020
- 2019 WIHSP payments due to insurers no later than August 15, 2020



WIHSP: Program Details PY 2020

- \$142.0 million in federal funds available to pay WIHSP claims
 - State portion will be determined in the 2021-23 biennial budget; WIHSP statute provides a sum sufficient appropriation
- Payment Parameters
 - Attachment point: \$40,000
 - Co-insurance: 50%
 - Reinsurance cap: \$175,000



WIHSP: Program Details PY 2020

- Insurers submit quarterly WISHP eligible claims data to OCI
 - Reports are due 45 days from the end of each financial quarter
 - Q1 report due: May 15, 2020
 - Approximately \$19.0 million (PY 2019, approximately \$15.0 million)
 - Q2 report due: August 14, 2020
 - Q3 report due: November 14, 2020
 - Q4 report due: February 14, 2021
- Aggregated claims for each quarter are posted to the OCI website
- Final data reflecting WIHSP eligible claims paid by insurers is due to OCI by May 15, 2021
 - Data reflects information insurers submit to the federal government for risk adjustment payments; HHS reviews this data for duplicates or other errors
 - Data is audited by OCI and used to determine WIHSP payments



WHISP: Program Details PY 2021

- Payment Parameters Finalized May 11, 2020
 - Attachment point: \$40,000
 - Co-insurance: 48%
 - Reinsurance cap: \$175,000
- OCI “Pass Through” report is due to HHS by September 15, 2020
 - The report contains market data used by the federal government to determine the level of federal funding that will support WIHSP
- Federal government provides the estimated “pass through” amount by October 31, 2020



WIHSP: Individual Market Impact

- 4.2% individual market premium rate decrease in 2019; compared to an estimated 10% increase without the program in place
- Rates in 2020 are 3.2% lower than 2019 rates
- Insurers have rejoined the Exchange and expanded service areas
 - 61 counties in 2020 have 3 or more insurers offering coverage compared to 46 counties in 2018



Questions?

Contact Information:

Jennifer Stegall

Executive Senior Policy Advisor

Office of the Commissioner of Insurance

Submit Comments to:

Ociwihsp@Wisconsin.gov

