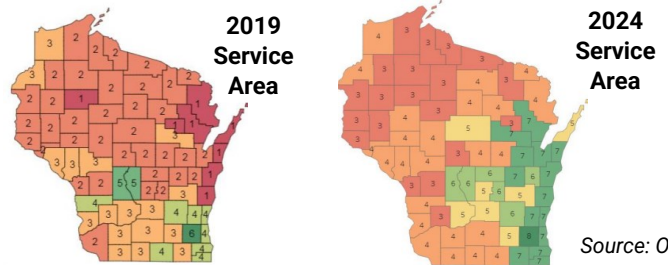


AHI Position:

AHI supports policies that help ensure the long-term stability of the individual market to safeguard this important coverage option for Wisconsin residents. The Wisconsin Healthcare Stability Plan (WIHSP) is a proven model in stabilizing and lowering premiums in the individual health insurance market, which has far reaching benefits for the healthcare system as a whole. AHI supports continuation of this program and adequate funding for it, to support the program’s positive effect on consumers and ensure overall program sustainability in the future.

Benefits of the WIHSP

1. LOWER Premiums
2. More COMPETITIVE Market



Source: OCI

What is the WI Healthcare Stability Plan?

In 2018, state lawmakers voted on a bipartisan basis to create the WIHSP, a state-based individual market reinsurance program for health plans in Wisconsin. Under the WIHSP, reinsurance payments reimburse insurers for a portion of the claims incurred by high-cost individuals. By helping to defray the costs of individuals with high healthcare needs, the Wisconsin Healthcare Stability Plan has helped **stabilize the individual health insurance market by reducing monthly insurance premiums, improved consumer participation in the individual market, and expanded consumers’ choice of insurers across the state.**

The program operates under a federal waiver which was approved for another five years in 2023. The program is largely funded by federal pass-through dollars, with some level of state general purpose revenue in most years. As part of the waiver approval, it’s understood that the federal dollars that help fund the program would otherwise flow through premium tax credits and therefore, does not increase federal costs. Currently, the maximum amount of funds (both federal and state) that can be spent on the program is \$230 million, a cap specified in state statute.

The WIHSP has consistently held down individual market rates, resulting in year-over-year decreases through 2022 and protecting consumers from double digit increases in 2023 and 2024. The WIHSP has also played an important role in increasing consumer choice in the market, with insurers having rejoined the marketplace and expanded service areas since the program was first implemented in 2019. When looking at the number of insurers participating in the individual marketplace, Wisconsin currently ranks second in the nation – yet another testament to the success of the program. For all these reasons, the WIHSP has helped play an important role in the accessibility of the individual marketplace by helping keep rates down for consumers, which also contributes to our state continuing to be amongst the top ten of states in the nation with the lowest uninsured rates. Ensuring the individual marketplace is affordable helps more Wisconsin residents obtain insurance coverage.

Another consequence of the program is that even consumers who receive significant federal financial assistance (i.e., premium tax credits) – and therefore do not directly realize the full benefit of these lower premiums themselves – indirectly benefit from having additional consumers and insurers participating in the individual market.

What is the Individual Marketplace?

The Health Insurance Marketplace was created by the Affordable Care Act in 2010. It provides options for individuals who don’t receive group health insurance, or insurance through their employer. In the marketplace, individuals can shop for different health insurance plans and depending on their level of income, can receive substantial subsidies from the federal government to help cover the costs of their premiums. Those above certain income levels can still shop on the marketplace, but will have to pay for their own premiums. Among other factors, when more healthcare services are utilized or health plan members are sicker and therefore require more or costlier services, health insurance premiums for all those on the plan will be impacted. The goal of the WIHSP is to help minimize the financial impacts of high-cost individuals on the individual marketplace so that all members of that health plan recognize lower premium costs.