

Fiscal Estimate Narratives

DHS 2/7/2018

LRB Number 17-5154/1	Introduction Number AB-0885	Estimate Type Original
Description Wisconsin Healthcare Stability Plan, reinsurance of health carriers, reallocating savings from health insurer fee, providing an exemption from emergency rule procedures, granting rule-making authority, and making appropriations		

Assumptions Used in Arriving at Fiscal Estimate

This bill creates a reinsurance program, the Wisconsin Healthcare Stability Plan (WIHSP) for health insurance companies participating in the individual health insurance market, contingent on federal approval of a State Innovation Waiver under the Affordable Care Act.

A provision within this bill would require DOA to transfer, from agency program revenue accounts, available balances due to savings that result from insurers in the state's group health insurance program or Medical Assistance not having to pay an annual fee under section 9010 of the federal Affordable Care Act. Recent federal legislation suspended the fee for the CY 19 tax year. This provision of the bill may result in revenue balances in DHS appropriations being transferred to the General Fund to the extent the fee suspension reduces Department fringe costs. The Department is not able to estimate the amount and timing of the potential savings. Balances would be potentially available only in the Department's non-federal program revenue appropriations that have positive revenue balances.

An additional provision within this bill requires the Department to lapse, from the Medical Assistance (MA) GPR appropriation, up to \$80 million GPR to the general fund in the 2017-19 biennium. The actual amount of lapse will depend on the cost of WIHSP; see the fiscal note from OCI in regards to the anticipated cost of WIHSP.

Long-Range Fiscal Implications