



WISCONSIN LEGISLATIVE COUNCIL AMENDMENT MEMO

2017 Senate Bill 770

Senate Substitute Amendment 1

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2017 SENATE BILL 770

2017 Senate Bill 770 creates a state-based reinsurance program known as the Wisconsin Healthcare Stability Plan (WIHSP), to be administered by the Commissioner of the Office of the Commissioner of Insurance (OCI). Under WIHSP, health carriers will receive reinsurance payments if claims for an individual enrollee exceed a threshold amount, subject to payment parameters established by OCI, as provided in the bill.

The bill allows the Commissioner of OCI to submit one or more requests for a state innovation waiver under the federal Affordable Care Act (ACA) to implement WIHSP. By December 31, 2018, the Commissioner must submit to the Governor recommendations on implementing the waiver and any other options to stabilize the individual health care market.

The bill provides that if a fee imposed under the ACA is no longer applicable to insurers participating in the state's group health insurance program or the Medical Assistance (MA) program, the Secretary of the Department of Administration (DOA) must calculate the expected savings to state agencies. The bill creates a procedure allowing the Secretary to transfer certain program revenue to an appropriation account for WIHSP or reinsurance, based on the calculated savings.

The bill requires the Secretary of the Department of Health Services (DHS) to ensure a lapse is made to the general fund of up to \$80,000,000 from the general purpose revenue appropriation for the MA program.

SENATE SUBSTITUTE AMENDMENT 1

Senate Substitute Amendment 1 removes the requirement that the Secretary of DHS ensure a lapse is made to the general fund of up to \$80,000,000 from the general purpose revenue appropriation for the MA program.

In addition, the substitute amendment provides that DHS may not expand MA program eligibility to newly eligible individuals as provided under the ACA unless the state legislature has passed legislation to allow the expansion and that legislation is in effect.

The substitute amendment creates additional requirements related to the report to be submitted by the Commissioner of OCI by December 31, 2018. The substitute amendment specifies that in developing the recommendations in the report, the Commissioner must consider and include the impacts of creating a high-risk pool or an invisible high-risk pool, funding of consumer health savings accounts, expanding consumer plan choices, and implementing any other approach that will lower consumer costs, stabilize the insurance market, or expand the availability of private insurance coverage.

The substitute amendment also modifies the procedure allowing the Secretary of DOA to transfer program revenue to an appropriation account for WIHSP or reinsurance, in certain cases. Under the substitute amendment, a request for such a transfer must be submitted to the Joint Committee on Finance (JFC) for review. If the co-chairpersons of JFC notify DOA within 14 days that the committee has scheduled a meeting to review the request, a transfer may be made only upon the approval of JFC.

BILL HISTORY

Senate Substitute Amendment 1 was offered by JFC on February 13, 2018. On the same date, JFC recommended adoption of the amendment on a vote of Ayes, 12; Noes, 4; and passage of the bill, as amended, on a vote of Ayes, 13, Noes, 3.

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