



Scott Walker, Governor
Theodore K. Nickel, Commissioner

Wisconsin.gov

125 South Webster Street • P.O. Box 7873
Madison, Wisconsin 53707-7873
Phone: (608) 266-3585 • Fax: (608) 266-9935
E-Mail: ociinformation@wisconsin.gov
Web Address: oci.wi.gov

Federal Health Care Law Frequently Asked Questions—Enrollment

1. Is the federal exchange Web site working?

Generally, the basic functionality of the federal exchange Web site has improved (i.e., consumers can get on to the site, choose a plan, etc.). However, not all of the problems are fixed. For example, inaccurate plan information has been displayed; consumers have had access to plans outside of their service area; consumers have signed up for a plan but healthcare.gov failed to send the information to insurers; some consumers are still unable to get through the application process (start to finish); and many consumers have yet to pay for their insurance. The Office of the Commissioner of Insurance (OCI) continues to work with the insurers and the federal Department of Health and Human Services (HHS) to ensure all consumer concerns are appropriately addressed.

2. What specific problems are consumers facing when trying to purchase coverage through the federal exchange?

- **The federal Web site has allowed consumers to purchase plans outside their service areas.** Some insurers do not offer certain plans in certain counties because of the provider networks they have in place. The federal Web site unfortunately has allowed consumers to purchase plans outside their service area. This means that either the premium these consumers have to pay will now be incorrect (could be higher or lower), or the consumer will not have access to providers in their county.
- **Consumers who have signed up for coverage have learned that their files have been lost.** Consumers who have actually enrolled and picked a plan either do not appear on the federal Web site's database, or they do not show up in the insurer's database. This could cause a consumer to appear as though they are uninsured when trying to access health care.
- **The federal Web site has displayed incorrect plan information.** Consumers have been shown plans on the federal Web site that were described inaccurately. In some cases, the Web site may have displayed no deductible for the plan they bought when in fact there is a deductible tied to that plan. This was not the fault of the insurer but rather the fault of the federal Web site. If errors were displayed at the fault of the insurer, OCI would require the insurer to honor what was displayed. Unfortunately, because the errors were the fault of the federal Web site, consumers will have to satisfy the deductible or choose another plan which could result in a higher premium.

Updated: March 14, 2014

- **Some insurers have to process enrollment manually due to the federal Web site's back-end system problems.** Consumers might experience delays in receiving their insurance ID cards and booklets as the federal Web site delays have caused a backlog for insurers processing such applications.

3. What advice do you have for consumers facing these problems?

The most important step a consumer can take is to verify their insurance purchase. If the consumer has not received any confirmation from the insurer, they should verify that the insurer has the consumer's enrollment information. If the consumer has received ID cards and an insurance certificate, they should verify it matches what they think they purchased. If anything doesn't match up, contact the insurer as soon as possible.

4. How many consumers have enrolled in coverage through the federal exchange? How many consumers have paid their premium?

- Total federal exchange enrollment into plans with a January 1 effective date: 34,329. Insurers received premium for 28,178 of these plans (unpaid 18%).
- Total federal exchange enrollment into plans with a February 1 effective date: 12,733. Insurers received premium for 9,604 of these plans (unpaid 25%).
- Total federal exchange enrollment into plans with January 1 and February 1 effective dates: 47,062. Insurers received premium for 37,782 of these plans (unpaid 20%).

5. How many consumers enrolled in a plan in the individual market outside of the federal exchange?

Total enrollment, outside of the federal exchange, into plans with January 1 and February 1 effective dates: 7,885.

6. What should a consumer do if they have enrolled and have not paid their premium?

First, contact the insurer. If the consumer has not paid January's premium by now, they will not have coverage for January, even if they try to pay their premium. Health insurance purchases historically are always paid in advance of the month of coverage. Many insurers did make exceptions throughout January but in most cases insurers do not accept late premium payments due to adverse selection problems (for example people who only pay when their claims exceed their premium). If the consumer has no coverage, they should sign up for a new plan as soon as possible.

7. What consumer problems have been caused when a consumer has been allowed to pay their premiums late?

As highlighted above, there are concerns with consumers losing coverage. Consumers should also be aware that while HHS required insurers to accept late payments for the first month, the second and subsequent payments to insurers will always be due before the month of coverage. Therefore, we are now seeing consumers receiving a bill for two months of coverage, making it difficult for those consumers to catch up with their late payments.

8. Some consumers received their enrollment materials very late. Why?

This happened for a variety of reasons. In most cases, insurers never received premiums until much later (as described above). An insurer does not issue insurance ID cards and booklets until they receive the first month's premium payment. In other cases, the electronic data transmissions between the federal government and insurers had glitches.

9. What has the Wisconsin OCI done to correct all of these problems?

OCI has brought the information to the attention of the federal Department of Health and Human Services (HHS), escalated issues to HHS leadership, and worked to ensure consumers are protected. We have ordered insurers to take specific actions to protect consumers. It's important to note that when problems have occurred that were the fault of HHS, there is little OCI can do to penalize HHS for their errors but we have worked to ensure other entities are not held accountable for HHS's mistakes.

10. How is the federal SHOP exchange working?

It is not. Functionally, small businesses can compare prices but plans must be purchased through licensed agents or directly from an insurer.

11. Are any Wisconsin laws compromised due to functionality limitations of the federal exchange?

Yes, due to system limitations, the federal exchange Web site is not allowing consumers to shop for health insurance the way state law contemplates. For example, Wisconsin law requires a "free look" period allowing consumers to terminate coverage and receive a refund. That is a Wisconsin consumer protection law. Unfortunately, that functionality has not been built into the federal exchange and, as of now, those individuals cannot shop for a new plan through the federal exchange without filing an appeal. Consumers unhappy with a federal exchange plan also do not appear to be allowed to switch plans due to functionality problems.

12. Who regulates the Wisconsin health insurance market, the state or federal government?

OCI remains the primary regulator of the entire health insurance market in Wisconsin, regardless of whether insurers are selling policies on or off the federal exchange. All insurers must be licensed in Wisconsin and meet state marketing and financial standards. OCI regulates all rate and form filings, performs financial and market conduct examinations and responds to consumer complaints. Despite our strong state regulatory authority, we continue to be concerned with the federal government's standardized approach to problem solving and the impact that has on Wisconsin's market.

In addition to OCI's regulatory authority over insurers, we also continue to regulate licensed health insurance agents, licensed navigators, and other registered assisters.

13. Despite problems with the federal Web site, how did Wisconsin get relatively high enrollment into the federal exchange?

This is a reflection of the way Wisconsin pursued consumer outreach. Both OCI and the Department of Health Services (DHS) focused on a grassroots effort and engaged stakeholders into what we called “regional enrollment networks.” By linking county personnel, insurance agents, health provider systems and navigators, we were able to make most consumers aware of the options they had for insurance coverage (in the federal exchange, Medicaid, or in Wisconsin’s market). Specific OCI and DHS efforts include: (1) held 16 town hall sessions across the state where we invited the public to listen to an ACA presentation and ask questions; (2) working on state legislation to ensure navigators and other “assisters” obtain state licensure/registration; (3) hosted free, in-person state training sessions for 578 individuals interested in becoming navigators or certified application counselors; and (4) requested that agents interested in helping individuals who are subsidy-eligible complete a 4-hour Medicaid-related continuing education course.

14. Wisconsin has a law requiring state licensure for navigators. Is that law in conflict with federal law?

No. Wisconsin law includes training and examination requirements, licensure and a background check. After some of the high profile incidents in other states, we continue to feel it is appropriate to require licensure and background checks. For example, one state with similar requirements stopped an individual with outstanding warrants and another stopped an individual who was a convicted terrorist from serving as navigators, despite HHS approval.

15. Have health insurance rates increased?

Yes. In early September, OCI released data that highlights the differences in pre-ACA and post-ACA policies. As we stated at that time, the increase is going to vary significantly depending on your region and age. Here is a link to the press release: <http://oci.wi.gov/pressrel/0913rateinfo.htm>.

16. Why did Wisconsin delay changes to Medicaid and the high-risk pool?

With the problems previously discussed with the federal exchange, it was difficult for consumers to sign up for a plan before January 1. As a result, Governor Walker and the legislature delayed the changes to Medicaid and the state’s high-risk pool program (HIRSP) until March 31.

17. What is changing in Medicaid?

The biggest change is the expansion of Badgercare to childless adults. This means that for the first time, every Wisconsinite under 100% of poverty will be eligible for Medicaid. Children and pregnant women up to 300% of poverty will continue to be eligible for Badgercare as well. Medicaid eligibility does not change for blind, elderly and disabled individuals. Finally, those with incomes over 100% of poverty (and not eligible under other programs) will be eligible for subsidized private health insurance coverage in the federal exchange. These changes are expected to cut Wisconsin’s already low uninsured rate in half.

18. Wisconsin had a very successful high-risk pool. What is happening with the high-risk pool members?

The state's high-risk pool (HIRSP) will cease operations on March 31, 2014. The reason for this transition has a lot to do with the ACA requiring health insurers to sell a policy to any person who applies for coverage, except in cases where fraudulent information is provided by the applicant. Additionally, HHS decided to nationalize the risk adjustment programs (reinsurance, risk adjustment, risk corridors) meaning Wisconsin insurers would be paying to cover high-risk individuals in HIRSP and paying into a separate national program to cover risks in other states. From both an access and cost perspective, it made sense to cease high-risk pool operations.

Depending on their income, former HIRSP members may be eligible for Medicaid under the new expansion or will have the option to purchase coverage through the federal exchange using federal subsidies to offset the cost of their premium. All HIRSP members will also have the option to purchase coverage off the federal exchange. Finally, for those on a Medicare plan, they will have a new right to gain coverage in the private market.

19. The Wisconsin high-risk pool served numerous members who were also on Medicare. Has that process been seamless?

As part of the legislation ending HIRSP, those individuals were given a guaranteed issue right into the Medicare Supplement market. However, many of the under 65 Medicare population have serious health conditions and utilize costly medications. Medicare drug programs have very high cost-sharing arrangements for specialty drugs. The federal government has also determined those individuals are not eligible for subsidized coverage in the federal exchange. There is little we can do at the state level to fix this issue. Here is a link to a HHS FAQ: <http://www.cms.gov/Medicare/Health-Plans/Medigap/Downloads/High-Risk-Pool-FAQs.pdf>.

20. When will open enrollment end?

It is scheduled to end March 31.

21. Will those losing coverage because of HIRSP closing and the changes to Badgercare be able to get coverage?

Yes. Those individuals have a special enrollment period for 60 days following their loss of coverage.

22. Will the federal exchange operate more smoothly in 2015?

At this point, we do not know. The federal government has given itself more time to fix problems, but that time has come at the expense of the state's ability to review rates and forms. States will have less time to conduct their reviews than in the past. Also, since much of the back-end operations of the federal exchange are still in the development phase, we may see the same problems during open enrollment next year.